



Diane Festino Schmitt

Shareholder

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Diane Festino Schmitt is a shareholder in Baker Donelson's Baltimore office.

After more than 30 years representing clients in both federal and state courts, including the Maryland Court of Appeals, Ms. Schmitt's clients have peace of mind knowing their matters are being handled by a highly skilled and experienced commercial litigator.

Ms. Schmitt offers her clients a full range of litigation, negotiation, and dispute resolution services in handling affirmative litigation involving notes, guarantees, loan agreements, leases and contracts, as well as lender liability counterclaims, including cases that have been consolidated before the judicial panel on multi-district litigation. Ms. Schmitt also has experience in corporate governance class actions, hostile takeover suits, insurance coverage disputes, tax controversies, and tort and contract actions for a diverse group of clients including health care institutions, economic investment firms, and software companies.

Representative Matters

- Obtained a verdict from the Maryland Tax Court following a full trial that the largest nursing home in Maryland was exempt from County transfer and recordation taxes on the purchase of real property because the entity was charitable.
- Obtained summary judgment in the Circuit Court for Montgomery County Business & Technology docket for an 8(a) prime contractor on a federal procurement contract where the Subcontractor alleged breach of contract and quasi-contract claims. This finding was affirmed by the Maryland Court of Special Appeals.
- Obtained a dismissal with prejudice of multiple shareholder actions challenging a multi-billion dollar merger on behalf of a company and its directors in Maryland State Court. The result was affirmed by the Maryland Court of Special Appeals.
- Defended a large health care practice in a lawsuit filed by a former affiliate and physician members alleging breach of contract, tortious interference, and wrongful termination. Reached a favorable settlement for the client at mediation.
- Successfully petitioned the Maryland Court of Appeals for *certiorari* and obtained a favorable ruling in a case of first impression that client's tax exemption statute relieves that entity from paying excise taxes on its properties and activities, including recordation taxes that they agree by contract to pay.
- Achieved a favorable settlement for a major national bank in defense of a class action suit in the United States District Court for the District of Maryland. The settlement covered a class of 3,000 consumers who alleged the bank did not follow Maryland Commercial Law requirements when repossessing and selling vehicles the bank had financed. The settlement was reached during the early motion phase of the litigation, saving the lender significant legal fees.
- Successfully defended a series of \$10,000,000 confessed judgments on behalf of a major national bank in Maryland State Court against claims that guarantors had meritorious defenses based on the Federal and Maryland Equal Credit Opportunities Act (ECOA), based on allegations of "negligent lending" and based on allegations that the Bank "wrongfully" failed to follow the loan documents.
- Represented a major national bank in litigation pending initially in six jurisdictions, and then consolidated via the Judicial Panel on Multi-District Litigation, arising out of loans in excess of \$25 million to health care facilities located throughout the country.

- Defended a commercial foreclosure sale and confessed judgment suits against claims of lender liability and fraud in the inducement of the original loan in Maryland State Court.
- Obtained summary judgment for a major international bank in connection with tortious interference, conspiracy, and fraudulent conveyance claims in Maryland State Court raised by a junior creditor.
- Represented a bank in successfully arguing to uphold a \$2 million confessed judgment against a borrower after the borrower challenged the judgment. The borrower argued that the bank's actions were commercially unreasonable but the court ruled that the bank was simply a secured creditor exercising its rights and remedies.



Professional Honors & Activities

Professional Memberships

- Member – Federal Bar Association, Maryland Chapter
 - Board of Governors
- Member – American Bar Association
- Member – Maryland State Bar Association
- Member – Women's Bar Association of Maryland

Honoraries

- Listed in *The Best Lawyers in America*® for Commercial Litigation (2022 – 2025)

Community Service

- Community Services Board of Directors – [St. Vincent de Paul of Baltimore](#)



Professional Background

- Law Clerk, Associate Judge Theodore G. Bloom, Court of Special Appeals
- Former Member, Judicial Nominating Committee for the Women's Bar Association of Maryland



Publications

- "CMS Revises Immediate Jeopardy Guidance: Key Updates for Providers" (December 2024)
- Co-author – "Breaking Down the Fundamentals of CMS' Updates to Appendix PP of the State Operations Manual," American Health Lawyers Association (November 2022)
- "Fundamentals of CMS Updates to Appendix PP of the State Operations Manual: Residents' Rights" (October 2022)
- "Fundamentals of CMS Updates to Appendix PP of the State Operations Manual: Admission, Transfer, and Discharge Rights" (October 2022)
- "Calling All Nursing Homes: Summarizing the Fundamentals of CMS Updates to Appendix PP of the State Operations Manual" (October 2022)
- "Virtual proceedings: A Practitioners' Guide," *Westlaw* (July 2020)
- "CMS Announces Changes to Five Star Quality Rating System for Nursing Homes and Responds to FAQs" (April 28, 2020)



Speaking Engagements

- Moderator – "Adverse Nursing Home Survey Results: What Are My Facility's Options," 2022 Baker Donelson Long Term Care Symposium (November 2022)
- "Anatomy of a Lawsuit and Tips Related to Documentation and Depositions," American Society of Neurophysiological Monitoring (ASMN) Fall Symposium (September 2017)



Education

- University of Maryland School of Law, J.D., 1984, with honors
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- University of Maryland, B.A., 1981, cum laude



Admissions

- Maryland
- Court of Appeals of Maryland
- U.S. Court of Appeals for the Fourth Circuit
- U.S. District Court for the District of Maryland
- U.S. Tax Court