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JEREMY S. BREON
PROTHONOTARY
CENTRE COUNTY, PA

IN THE COURT OF COMMON PLEAS OF CENTRE COUNTY,
PENNSYLVANIA
CIVIL ACTION – EQUITY

COMMONWEALTH OF
PENNSYLVANIA by Attorney General
MICHELLE A. HENRY

Petitioner

v.

GREEK HOUSING SERVICES, INC.

Respondent

Docket No. 2024-CV-115-C1

CIVIL ACTION - EQUITY

ASSURANCE OF
VOLUNARY COMPLIANCE

Filed by Petitioner

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Senior Deputy Attorney General
PA Office of Attorney General
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PA Supreme Court I.D. 312713

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**IN THE COURT OF COMMON PLEAS OF CENTRE COUNTY,
PENNSYLVANIA
CIVIL ACTION – EQUITY**

**COMMONWEALTH OF
PENNSYLVANIA by Attorney General
MICHELLE A. HENRY**

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GREEK HOUSING SERVICES, INC.

Respondent

Docket No. 2024-CV-115-CJ

ASSURANCE OF VOLUNTARY COMPLIANCE

AND NOW comes the Commonwealth of Pennsylvania by Attorney General Michelle A. Henry ("Commonwealth" and/or "Petitioner"), which caused an investigation to be made into the business practices of Greek Housing Services, Inc. ("GHS" and/or collectively "Respondent"), pursuant to the provisions of the Pennsylvania *Unfair Trade Practices and Consumer Protection Law*, 73 P.S. § 201-1, *et seq.* ("*Consumer Protection Law*") and the Pennsylvania *Landlord and Tenant Act of 1951*, 68 P.S. § 250.101 *et seq.* ("*Landlord/Tenant Act*"), and states the following:

WHEREAS, Petitioner is the Commonwealth of Pennsylvania, Office of Attorney General, by Attorney General Michelle A. Henry, with an office located at Strawberry Square, 15th Floor, Harrisburg, Dauphin County, Pennsylvania 17120;

WHEREAS, Greek Housing Services, Inc. is a Pennsylvania Corporation with a registered office address of 243 South Allen Street, P.O. Box 1087, State College, Centre County, Pennsylvania 16804;

WHEREAS, GHS registered with the Pennsylvania Department of State as a domestic business corporation on August 2, 1996;

WHEREAS, Respondent offers property for rent as well as property management services to Penn State University students, with an emphasis on fraternity and sorority organizations.

BACKGROUND

WHEREAS, based upon its investigation, the Commonwealth alleges Respondent has engaged in conduct which violates the *Consumer Protection Law*, as more fully set forth below;

WHEREAS, Respondent has engaged in trade and commerce within the Commonwealth of Pennsylvania by offering property which Respondent owns for rent, and/or providing property management services to students attending Penn State University and more specifically:

1. Respondent owned and/or provided property management services to three (3) properties in State College, Pennsylvania between 2019 to 2022 as follows:
 - a. 328 Fairmount Ave. LP
 - i. The property is located at 328 E. Fairmount Ave. State College, PA 16801. The property is a 28 bed, 4 bath property with approximately 11,000 square feet. The property is generally used as a fraternity house.
 - ii. Respondent rented the property to various fraternities during this time period, and served as the landlord to the fraternity at all times during the lease, including collecting rent, making repairs,

managing tenant security deposits, and enforcing borough and college rules.

b. 329 East Fairmount Ave.

i. The property is located at 329 E. Fairmount Ave. State College, PA 16801. The property is generally used as a fraternity house.

ii. Respondent rented the property to various fraternities during this time period, and served as the landlord to the fraternity at all times during the lease, including collecting rent, making repairs, managing tenant security deposits, and enforcing borough and college rules.

c. 420 East Prospect Ave.

i. The property is owned by Zeta Alumni of Kapa Delta Rho, Inc., of 450 Elm Terrace, York, Pennsylvania 17401.

ii. Respondent previously offered property management services ending in June of 2018 for the property by renting the property from Zeta Alumni, and subletting the property to residents, which Respondent would then manage.

2. All three (3) properties utilized a leasing agreement created and provided by Respondent. The lease was executed by tenants, all Penn State University students, to rent the property for a period of nine (9) months.

3. The lease was broken up into two (2) semesters, following the Penn State University academic calendar.
4. The leases were amended, changed, or altered over time, either at the discretion of Respondent, or upon an agreement between Respondent and the fraternity.
5. Respondent collected a security deposit ranging in amounts from Eight Hundred (\$800.00) Dollars to One Thousand (\$1,000.00) Dollars. Respondent's lease provided that the security deposit was split into two portions: one half (1/2) to cover damages to the tenant's personal room, and one half (1/2) to cover damages to the common areas of the property.
6. At the conclusion of each lease, which ended at the conclusion of the academic calendar in or around May or June of each year, Respondent's staff would perform a walkthrough of the property to note any damages which required repair. Respondent's staff would identify such repairs on a form, and applied the cost of repairing those damages against the tenant's security deposit.
7. Beginning in or around 2017, Respondent charged an administrative fee to tenants, itemized on Respondent's "Security Deposit Return Form" as a charge identified as "Room Inspection/Office Time" in amounts ranging from Twenty-two (\$22.00) Dollars to Sixty-seven Dollars and Fifty Cents (\$67.50)

any time the tenant had at least one reportable security deposit infraction in either the tenant's personal room or common area.

8. The Security Deposit Return Form was submitted by Respondent to tenants twice, once approximately thirty (30) days following the termination of the lease identifying damages to the tenant's personal room, and once approximately four (4) to six (6) months following the termination of the lease identifying damages to the common area. A true and correct copy of a sample Security Deposit Return Form is attached hereto as Exhibit "A."
9. The Security Deposit Return Form was also accompanied by a separate "Invoice/Credit Memo" which summarized the security deposit sum held in escrow, any deductions from the Security Deposit Return Form, and the "Room Inspection/Office Fee" or "Administrative Fee." A true and correct copy of a sample Invoice/Credit Memo is attached hereto as Exhibit "B."
10. The Credit Memo used the term "Room Inspection/Office Fee" and "Administrative Fee" interchangeably.
11. Respondent generally utilized the term "Room Inspection/Office Fee" upon submission of the Security Deposit Return Form and Invoice/Credit Memo relating to the tenant's personal room.
12. Respondent generally utilized the term "Administrative Fee" upon submission of the Invoice/Credit Memo relating to the common area.

WHEREAS, the Commonwealth alleges Respondent has engaged in conduct that violates the *Consumer Protection Law* and the *Landlord/Tenant Act* as follows:

- A. The Commonwealth contends that the “Room Inspection/Office Time” is an administrative fee applied to tenants by Respondent solely as a business expense of Respondent.
- B. Respondent charged up to two (2) administrative fees to tenants per lease term.
- C. The Commonwealth contends that charging and collecting an administrative fee against a tenant’s security deposit is a violation of the *Landlord/Tenant Act*.
- D. The *Landlord/Tenant Act* provides:

Every landlord shall within thirty days of termination of a lease or upon surrender and acceptance of the leasehold premises, whichever first occurs, provide a tenant with a written list of any damages to the leasehold premises for which the landlord claims the tenant is liable. Delivery of the list shall be accompanied by payment of the difference between any sum deposited in escrow, including any unpaid interest thereon, for the payment of damages to the leasehold premises and the actual amount of damages to the leasehold premises caused by the tenant.

68 P.S. § 250.512(a). (emphasis added)

- E. All charges identified as “Administrative Fee” or “Room Inspection/Office Time,” are administrative fees not permissible to be charged against a tenant’s security deposit under the *Landlord/Tenant Act*.

F. Additionally, the “Security Deposit Return Form” and accompanying “Credit Memo” did not specifically provide tenants with sufficient information as to the actual damages incurred during tenant’s leasehold, and instead provided generic categories of damages, including “Nail holes – filled, sanded, wiped clean for painting;” “Door – knob, plate, deadbolt, trim;” and “Carpet/floor/room not clean.” The form also indicated the quantity/hours to complete the individual categories, as applicable, without any detail as to what specific damage/repair was necessary to correct, and/or what items specifically were charged against the security deposit.
See Ex. “A.”

G. Tenants are unaware, based upon Respondent’s forms, as to the actual damages alleged during the leasehold, and rather are provided with general summaries.

H. Respondent’s Security Deposit Return Form and Invoice/Credit Memo do not comply with the *Landlord/Tenant Act*. 68 P.S. § 250.512(a).

WHEREAS, as a result of the violations of the *Consumer Protection Law* and *Landlord/Tenant Act*, set forth above, Respondent has engaged in “unfair methods of competition” and/or “unfair or deceptive acts or practices” as prohibited by Section 201-3 of the Consumer Protection Law, as defined by Section 201-2(4)(ii), (iii), (v) and (xxi):

- a. Causing likelihood of confusion or of misunderstanding as to the source, sponsorship, approval, or certification of goods or services, 73 P.S. § 201-2(4)(ii);
- b. Causing likelihood or confusion or of misunderstanding as to the affiliation, connection or association with, or certification by, another, 73 P.S. § 201-2(4)(iii);
- c. Representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits, or quantities that they do not have or that a person has sponsorship, approval, status, affiliation, or connection that he does not have, 73 P.S. § 201-2(4)(v); and
- d. Engaging in any other fraudulent or deceptive conduct which creates a likelihood of confusion or of misunderstanding, 73 P.S. § 201-2(4)(xxi).

WHEREAS, this Assurance of Voluntary Compliance is accepted by the Commonwealth pursuant to Section 201-5 of the *Consumer Protection Law*, in lieu of commencing statutory proceedings under Section 201-4 of the *Consumer Protection Law*, 73 P.S. §§ 201-4 and 201-5;

WHEREAS, under Section 201-5 of the *Consumer Protection Law*, this Assurance of Voluntary Compliance shall not be considered an admission of a violation for any purpose. 73 P.S. § 201-5;

WHEREAS, Respondent desires to comply with the civil laws of the Commonwealth of Pennsylvania.

SETTLEMENT TERMS

NOW THEREFORE, having conducted trade and commerce within the Commonwealth, Respondent agrees for itself, its successors, assigns, officers, partners, agents, representatives, employees, and all other persons acting on their behalf, jointly or individually, directly or indirectly, or through any corporate or business device, as follows:

I. The Above Recitals are Incorporated Herein as Though Fully Set Forth.

II. Injunctive and Affirmative Relief

A. Respondent SHALL fully comply with any and all provisions of the *Consumer Protection Law*, including any amendments thereto, and are permanently enjoined from any violation thereof.

B. Respondent SHALL NOT, in the future, engage in conduct which violates the *Consumer Protection Law*, and any future amendments thereto, specifically including, but not limited to:

1. Causing likelihood of confusion or of misunderstanding as to the source, sponsorship, approval, or certification of goods or services, as prohibited by Section 201-2(4)(ii) of the Consumer Protection Law, 73 P.S. § 201-2(4)(ii);
2. Causing likelihood or confusion or of misunderstanding as to the affiliation, connection or association with, or certification by, another, as prohibited by Section 201-2(4)(iii) of the Consumer Protection Law, 73 P.S. § 201-2(4)(iii);

3. Representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits, or quantities that they do not have or that a person has sponsorship, approval, status, affiliation, or connection that he does not have, as prohibited by Section 201-2(4)(v) of the Consumer Protection Law, 73 P.S. § 201-2(4)(v); and
4. Engaging in any other fraudulent or deceptive conduct which creates a likelihood of confusion or of misunderstanding, as prohibited by Section 201-2(4)(xxi) or the Consumer Protection Law, 73 P.S. § 201-2(4)(xxi).

C. Respondent SHALL fully comply with any and all provisions of the *Landlord/Tenant Act*, including any amendments thereto, and is permanently enjoined from any violation thereof.

D. Respondent SHALL NOT charge or attempt to collect any administrative fees against a tenant's security deposit.

E. Respondent SHALL provide tenants with a detailed invoice as to the actual damages and accompanying charges to be applied against the tenant's security deposit within thirty (30) days following termination of a lease or upon surrender and acceptance of the leasehold premises, whichever first occurs.

F. Respondents SHALL provide tenants with any and all balances owed of tenant's security deposit for personal rooms within thirty (30) days following termination

of a lease or upon surrender and acceptance of the leasehold premises, whichever first occurs.

G. Respondents SHALL NOT attempt to require tenants to waive statutorily protected rights in the lease, including but not limited to those rights afforded to security deposits.

III. Monetary Relief

A. Respondent shall be liable for and shall pay to the Commonwealth the amount of TEN THOUSAND DOLLARS (\$10,000.00), (“Required Payment”) which shall be allocated as follows:

1. **Restitution** in the amount of TEN THOUSAND DOLLARS (\$10,000.00), pursuant to Section 201-4.1 of the Consumer Protection law to be distributed by the Commonwealth of Pennsylvania, Office of Attorney General, to consumers who have filed or file within 60 days of the Effective Date complaints related to Respondent’s allegedly unfair or deceptive business practices. The amount, timing, and manner of distribution of restitution to these consumers shall be in the sole discretion of the Commonwealth. In the event Respondent’s restitution payment exceeds the amount of consumer claims for restitution, the remaining restitution funds, including interest, shall be paid to the Commonwealth to be used for future public protection and education purposes. In the event Respondent’s restitution payment is less than

the amount claimed in restitution, the Commonwealth shall make restitution on a pro rata basis.

B. Payment Terms:

1. Respondent SHALL provide the Required Payment of TEN THOUSAND DOLLARS (\$10,000.00) upon Respondent's execution of this Assurance of Voluntary Compliance.
2. Payment shall be made by certified check, cashier's check, or money order, made payable to the Commonwealth of Pennsylvania, and forwarded to Paul D. Edger, Senior Deputy Attorney General, Pennsylvania Office of Attorney General, Bureau of Consumer Protection, Strawberry Square, 15th Floor, Harrisburg, Pennsylvania 17120.

IV. Miscellaneous Terms

A. The Court of Common Pleas of Centre County, Pennsylvania shall maintain jurisdiction over the subject matter of this Assurance of Voluntary Compliance and over Respondent for the purpose of enforcing this Assurance of Voluntary Compliance.

B. The parties specifically agree that all relief owed by Respondent to the Commonwealth, including all monetary relief, shall not be dischargeable by any court pursuant to Section 523(a)(7) of the United States Bankruptcy Code. *See* 11 U.S.C. § 523(a)(7).

C. Time shall be of the essence with regards to Respondent's obligations hereunder.

D. Nothing in this Assurance of Voluntary Compliance shall be construed to waive or limit any right of action by any individual, person or entity, or by any local, state, federal or other governmental entity.

E. Respondent further agrees to execute and deliver all authorizations, documents and instruments which are necessary to carry out the terms and conditions of this Assurance of Voluntary Compliance, whether required prior to, contemporaneous with, or subsequent to the Effective Date, as defined herein.

F. Respondent understands and agrees that if Respondent has made any false statement in or related to this Assurance of Voluntary Compliance, that such statement is made pursuant to and under penalty of 18 Pa.C.S. § 4904 relating to unsworn falsifications to authorities.

G. Any failure of the Commonwealth to exercise any of its rights under this Assurance of Voluntary Compliance shall not constitute a waiver of its rights hereunder.

H. This Assurance of Voluntary Compliance may be executed in any number of counterparts and by different signatories on separate counterparts, each of which shall constitute an original counterpart hereof and all of which together shall constitute one and the same document. One or more counterparts of this agreement may be delivered by

facsimile or electronic transmission with the intent that it or they shall constitute an original counterpart hereof.

I. This Assurance of Voluntary Compliance sets forth all of the promises, covenants, agreements, conditions and understandings between the parties, and supersedes all prior and contemporaneous agreements, understandings, inducements or conditions, express or implied. There are no representations, arrangements, or understandings, oral or written, between the parties relating to the subject matter of this Assurance that are not fully expressed herein or attached hereto. Each party specifically warrants that this Assurance is executed without reliance upon any statement or representation by any other party hereto, except as expressly stated herein.

J. Respondent agrees by the signing of this Assurance of Voluntary Compliance that it shall abide by each of the aforementioned provisions and that the breach of any one of these terms, including but not limited to the payment terms, shall be sufficient warrant for the Commonwealth of Pennsylvania to petition the Court of Common Pleas of Centre County, or any court of competent jurisdiction, to seek the penalties provided for under Section 201-8(a) of the Consumer Protection Law, 73 P.S. § 201-8(a), and to seek any other equitable relief which the Court deems necessary or proper, up to and including forfeiture of the right to engage in trade or commerce within the Commonwealth of Pennsylvania.

K. The "Effective Date" of this Assurance of Voluntary Compliance shall be the day it is filed with the Court.

L. If any clause, provision or section of this Assurance of Voluntary Compliance shall, for any reason, be held illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall not affect any other clause, provision or section of this Assurance of Voluntary Compliance and the Assurance of Voluntary Compliance shall be construed and enforced as if such illegal, invalid or unenforceable clause, section or other provision had not been contained herein.

M. Respondent shall not represent or imply that the Commonwealth acquiesces in, or approves of, Respondent's past or current business practices, efforts to improve its practices, or any future practices that Respondent may adopt or consider adopting.

WHEREFORE, the parties, intending to be legally bound, have hereto set their hands and seals.

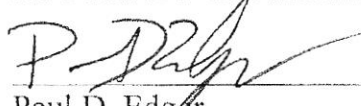
Respectfully submitted,

COMMONWEALTH OF PENNSYLVANIA
OFFICE OF ATTORNEY GENERAL

MICHELLE A. HENRY
ATTORNEY GENERAL

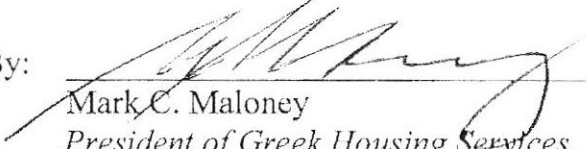
Date: 1/11/24

By: _____


Paul D. Edger
Supreme Court I.D. 312713
Senior Deputy Attorney General
Pennsylvania Office of Attorney General
Strawberry Square, 15th Floor
Harrisburg, Pennsylvania 17120
Telephone: (717) 857-2084
Facsimile: (717) 705-3795
pedger@attorneygeneral.gov

FOR THE RESPONDENT:

Greek Housing Services, Inc.

Date: 1/2/24 By: 
Mark C. Maloney
President of Greek Housing Services, Inc.

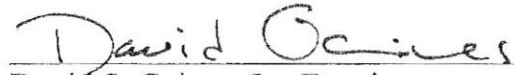
Date: 1/2/2024 By: 
David S. Gaines, Jr., Esquire
Miller, Kistler & Campbell
720 S. Atherton Street, Suite 201
State College, PA 16801
Attorney for Respondent

Exhibit “A”

Greek Housing Services, Inc.

P.O. Box 1087, State College PA 16804 Phone (814) 237-8987

Security Deposit Return Form

To: [REDACTED]

Date: 6/1/16

Property 328 E. Fairmount Ave. (Alpha Sigma Phi Fraternity)

Original deposit paid \$ 800.00

50/50 split of original deposit amount results in the following:

- 1. the amount available for deductions for the common areas is: 400.00
- 2. the amount available for deductions for the room lived in is: 400.00

>>> Common Area Deposit Portion (to be handled under separate return)

Individual Room Portion (being processed at this time)						\$ 400.00
Room Occupancy	1					
Room Deductions	Room #	9	Supplies/Fee	Qty/Hrs	Total	
	Rate	\$45.00				
Intra-Year Damage:						
			\$0.00	0	\$ -	
			\$0.00	0	\$ -	
			\$0.00	0	\$ -	
Move-Out Damage:						
Nail holes - filled, sanded, wiped clean for painting			\$10.00	2	\$ 100.00	
Painting			\$60.00	5	\$ 285.00	
Door - knob, plate, deadbolt, trim			\$0.00	0.25	\$ 11.25	
Smoke alarm replaced			\$0.00	0.25	\$ 11.25	
Light needs replaced/bulb replaced			\$30.00	1	\$ 75.00	
Coverplates missing - receptacle or cable			\$0.00	0	\$ -	
Carpet/floor/room not clean			\$0.00	1	\$ 45.00	
Misc. trim damaged & escape map missing			\$30.00	2.5	\$ 142.50	
			\$130.00	12	\$ 670.00	
Total Resident's Share:						\$ (670.00)
Room Inspection/Office Time:						\$ (67.50)
Total deductions						\$ (737.50)
Security Deposit Balance Remainder (Room Portion)						\$ (337.50)
Key Charge (If key is not returned)						\$ (50.00)
Furniture/Items removal & disposal						\$ (100.00)
Life Safety Fine (repeated tampering with Fire Alarm system and Video monitoring system)						\$ -
Credit on Account						\$ 55.00
Net Balance with Deposit Applied:						\$ (432.50)

Due to GHS Upon Receipt: \$ 432.50

Due from GHS to Resident: \$ -

Exhibit “B”

Greek Housing Services Corp ASP-Upsilon Chpt

Greek Housing Services
PO Box 1087
State College, PA 16804

Invoice

Date	Invoice #
6/4/2018	[REDACTED]

Bill To

[REDACTED]

PAID
06/26/2018

Description	Amount
Security Deposit - 2017/18	-400.00
Security Deposit Deductions - Room portion (see detail)	670.00
Room Inspection/Office Fee	67.50
Summer Storage	100.00
Key Charge	50.00
Total	5487.50

IN THE COURT OF COMMON PLEAS OF CENTRE COUNTY,
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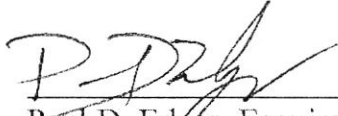
Respondent :

CERTIFICATE OF COMPLIANCE

I, Paul D. Edger, certify that this filing complies with the provisions of the *Public Access Policy of the Unified Judicial System of Pennsylvania: Case Records of the Appellate and Trial Courts* that require filing confidential information and documents differently than non-confidential information and documents.

Date: 1/11/24

By: _____


Paul D. Edger, Esquire
Supreme Court I.D. 312713
Senior Deputy Attorney General
Pennsylvania Office of Attorney General
Strawberry Square, 15th Floor
Harrisburg, PA 17120
Tel: (717) 857-2084

IN THE COURT OF COMMON PLEAS OF CENTRE COUNTY,
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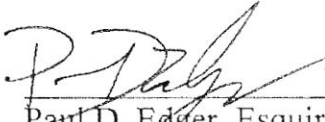
COMMONWEALTH OF :
PENNSYLVANIA by Attorney General :
MICHELLE A. HENRY :
 :
Petitioner : Docket No. 2024-CV-115-C1
 :
v. :
 :
GREEK HOUSING SERVICES, INC. :
 :
Respondent :
 :

CERTIFICATE OF SERVICE

I, Paul D. Edger, hereby certify that a true and correct copy of the foregoing *Assurance of Voluntary Compliance* was served on the individual identified below by **USPS First Class Mail & Electronic Mail**:

David S. Gaines, Jr., Esquire
Miller, Kistler & Campbell
720 S. Atherton Street, Suite 201
State College, PA 16801
dgaines@mkclaw.com

Date: 1/11/24

By: 
Paul D. Edger, Esquire
Supreme Court I.D. 312713
Senior Deputy Attorney General
Pennsylvania Office of Attorney General
Strawberry Square, 15th Floor
Harrisburg, PA 17120
Tel: (717) 857-2084