

**IN THE COURT OF COMMON PLEAS OF
ALLEGHENY COUNTY, PENNSYLVANIA**

**COMMONWEALTH OF PENNSYLVANIA,
By MICHELLE A. HENRY,
ATTORNEY GENERAL,**

Plaintiff,

v.

A.R. BUILDING COMPANY, INC.,

Defendant.

CIVIL DIVISION

G.D. No. 23-013110

CONSENT PETITION FOR FINAL DECREE

AND NOW, comes the Commonwealth of Pennsylvania, by Attorney General Michelle A. Henry (“Commonwealth” or “Plaintiff”), and submits this Consent Petition for Final Decree (“Consent Petition”), the terms of which have been consented to by Defendant A.R. Building Company, Inc. (“Defendant”).

JURISDICTION AND VENUE

WHEREAS, pursuant to 42 Pa.C.S.A. § 931(a), this Court has original jurisdiction to hear “all actions and proceedings, including all actions and proceedings heretofore cognizable by law or usage in the courts of common pleas;”

WHEREAS, venue lies with this Court pursuant to Pa.R.C.P. 1006(a)(3);

PARTIES

WHEREAS, Plaintiff is the Commonwealth of Pennsylvania, Office of Attorney General, with offices located at 1251 Waterfront Place, Mezzanine Level, Pittsburgh, Pennsylvania 15222; and 15th Floor, Strawberry Square, Harrisburg, Pennsylvania 17120;

WHEREAS, Defendant A.R. Building Company, Inc. is a Pennsylvania corporation with its registered place of business located at 310 Seven Fields Boulevard, Suite 350, Seven Fields, Pennsylvania 16046-4343;

BACKGROUND RECITALS

WHEREAS, Defendant engages in trade and commerce within the Commonwealth of Pennsylvania by advertising, offering for lease and leasing residential rental properties to tenants;

WHEREAS, On November 14, 2023, the Commonwealth filed a three count Complaint alleging violations of the Unfair Trade Practices and Consumer Protection Law, 73 P.S. § 201-1, *et seq.* (“Consumer Protection Law or CPL”), the Landlord and Tenant Act of 1951, 68 P.S. § 250.101, *et seq.* (“Landlord Tenant Act”), and the Fair Credit Extension Uniformity Act, 73 P.S. § 2270.1 *et seq.* (“FCEUA”), allegations of which are incorporated herein by reference;

WHEREAS, Section 201-4 of the Consumer Protection Law grants standing to Commonwealth to enforce the Consumer Protection Law, as follows:

Whenever the Attorney General or a District Attorney has reason to believe that any person is using or is about to use any method, act or practice declared by section 3 of this act to be unlawful, and that proceedings would be in the public interest, he may bring an action in the name of the Commonwealth against such person to restrain by temporary or permanent injunction the use of such method, act or practice. 73 P.S. § 201-4.

WHEREAS, the Commonwealth and Defendant have agreed to the entry of this Consent Petition by this Court without any admission of any kind and without a trial or adjudication of any issue of fact or law, including standing;

WHEREAS, Defendant will comply with the provisions of this Consent Petition and has signed it with the intent that, upon approval of the Court, its terms shall constitute the provisions of the Final Decree, Order or Judgment of the Court in the above-captioned matter and shall be

binding upon Defendant.

SETTLEMENT TERMS

NOW THEREFORE, Defendant agrees for itself, its, assigns, officers, agents, representatives, employees, and all other persons acting on its behalf, jointly or individually, directly or indirectly, or through any corporate or business device, as follows:

I. The recitals above are incorporated herein by reference.

II. Definitions

A. **“Effective Date”** means the date the Court enters a Final Decree, Order or Judgment, approving the terms of this Consent Petition.

III. Injunctive and Affirmative Relief

A. When assessing damages for repairs to a rental unit after a tenant moves out or for losses related to a tenant's breach of any other condition of the lease, Defendant shall only charge the tenant for the amount of actual damages to the leasehold premises caused by the tenant. These damages shall not include:

- i. a surcharge or mark-up of any charges or damages resulting from ordinary wear and tear; or
- ii. vacancies related to the standard and anticipated turnover time required to prepare a unit for future rental.

Notwithstanding the preceding, nothing shall preclude Defendant from refusing to return the escrow fund, including any unpaid interest thereon, for nonpayment of rent or for the breach of any other condition in the lease by the tenant. If warranted, these damages may include the rental value for the period of time in which the unit was not rentable due to the damages caused by the tenant, subject

to the limitations set forth above in Paragraph III.A(i)-ii). Nothing set forth herein shall impair or prohibit Defendant from seeking lawful remedies available to it relating to a tenant's breach of contract.

- B. When invoicing a tenant for the actual damages to a rental unit and/or losses related to a tenant's breach of the lease, Defendant shall provide the tenant with an itemized statement of the damages and charges. Upon a tenant's request, made in writing or by email, or upon a tenant's dispute of the charges, Defendant shall promptly provide the tenant with the documentation available to it establishing its claim for damages or charges, including but not limited to photographs, videos, work-orders and vendor invoices. Defendant shall exercise good faith and diligence when assessing and charging tenants for damage to a rental unit
- C. Defendant shall not utilize a lease form that misrepresents the rights and obligations of landlords and tenants under the Landlord Tenant Act and the applicable case law of this Commonwealth, including provisions relating to evictions, security deposits and security interests in tenant's property, as identified in the Commonwealth's Complaint.
- D. Defendant shall clearly and conspicuously disclose to tenants the terms, conditions of all recurring fees due by tenant under Defendant's lease.
- E. Defendant shall not utilize collection letters that include false threats or seek collection of debts not authorized by contract or law.
- F. Nothing set forth herein shall modify, limit, or otherwise impact the obligations and protections of landlords and tenants, as set forth under the laws of the Commonwealth including but not limited to the Landlord Tenant Act and any

amendments thereto.

IV. Monetary Payment

A. Upon the signing of this Consent Petition, Defendant shall pay to the Commonwealth the sum of FIFTY THOUSAND and 00/100 Dollars (\$50,000.00), which shall be allocated as follows:

1. **Restitution** in the amount of THIRTY FIVE THOUSAND and 00/100 Dollars (\$35,000).

- a. **Eligibility** – To be eligible to receive restitution under the terms of this Consent Petition, Pennsylvania tenants must file a complaint within sixty (60) days of the “Effective Date” and must establish that they paid for damages in an amount in excess of the actual damages incurred by Defendant. Any eligible tenant complaints filed prior to the Effective Date will automatically be included for restitution pursuant to this paragraph. No claim will be allowed if tenant’s payment was made on or before a date that is four years prior to the effective date of this Consent Petition.

- b. **Restitution Administration** – – The amount and timing of distribution of restitution funds shall be within the sole discretion of the Commonwealth. If the total amount of restitution claims, based upon tenant complaints, is greater than \$35,000 each eligible tenant shall receive a pro-rata share of the restitution funds. In the event the \$35,000 restitution fund exceeds the amount of tenant complaints, the remaining monies shall be paid to the

Commonwealth as reimbursements for its costs related to the litigation and the filing of the Complaint and Consent Petition.

- c. **Restitution Report** - Within ninety (90) days of the Effective Date, the Commonwealth shall provide Defendant with an accounting of all restitution payments made to consumers, pursuant to the terms of this Consent Petition. The accounting shall identify the consumer's name, address, restitution amount and date of payment.

- 2. **Civil Penalties** in the amount of FIVE THOUSAND and 00/100 Dollars (\$5,000) shall be distributed to the Commonwealth of Pennsylvania, Department of Treasury.
- 3. **Public Protection and Educational Purposes** in the amount of TEN THOUSAND and 00/100 Dollars (\$10,000) shall be distributed to the Commonwealth of Pennsylvania, Office of Attorney General, to be deposited into an interest-bearing account from which both principal and interest and shall be expended for public protection and educational purposes.

B. **Form of Payment** - All payments made by Defendant to the Commonwealth, under the terms of this Consent Petition, shall be in the form of a certified check, cashier's check, money order or wire transfer made payable to the "Commonwealth of Pennsylvania, Office of Attorney General."

V. **Miscellaneous Terms**

A. Nothing in this Consent Petition shall prevent or restrict its use by the Commonwealth in any action against Defendant for contempt arising from its failure to comply

with any of its provisions, terms, or conditions.

B. Keith Lenhart, as Vice President of A.R. Building, Inc. certifies that he is authorized to enter into and execute this Consent Petition on behalf of Defendant.

C. Amy L. Schulman, as Senior Deputy Attorney General, is the signatory on behalf of the Commonwealth and certifies she is authorized to enter into and execute this Consent Petition on behalf of the Commonwealth.

D Any failure of the Commonwealth to exercise any of its rights under this Consent Petition shall not constitute a waiver of its rights hereunder.

E. The Allegheny County Court of Common Pleas shall maintain jurisdiction over the subject matter of this Consent Petition.

F. In the event that any statute, rule or regulation pertaining to the subject matter of this Consent Petition is subsequently enacted, promulgated, modified, or interpreted by a federal court or a Pennsylvania state court, or any federal or Pennsylvania government, or any federal or Pennsylvania agency, or a court of competent jurisdiction holds that such statute, rule or regulation is in conflict with any provision of this Consent Petition, Defendant's compliance with such statute, rule or regulation and such action shall not constitute a violation of this Consent Petition or any provision herein. Further, under these circumstances, Defendant's noncompliance any provision of this Consent Petition shall not constitute a violation of this Consent Petition or any provision herein and Defendant may file a Motion to modify this Consent Petition.

G. This Consent Petition 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 Consent Petition may be delivered by facsimile or electronic transmission with the intent that it or they shall constitute an original counterpart hereof.

H. The Commonwealth and Defendant hereby stipulate that the Final Decree, Order or Judgment of Court to be issued pursuant to this Consent Petition shall act as a permanent injunction issued under Section 201-4 of the Consumer Protection Law, 73 P.S. § 201-4, and, that, subject to the specific terms and conditions stated in this Consent Petition, breach of any of its terms or of the Final Decree, Order or Judgment accompanying it shall be sufficient cause for the Commonwealth to seek penalties as provided under Sections 201-8, 201-9, and 201-9.1 of the Consumer Protection Law, 73 P.S. §§ 201-8, 201-9 and 201-9.1, or any other relief as the Court shall determine appropriate.

I. Nothing in the Final Decree or the Petition shall confer any rights to anyone other than the Commonwealth for the enforcement thereof.

J. This Final Decree is only binding upon the named Defendant and does not attach to the properties operated by the Defendant and does not run with the land.

K. This Consent Petition 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 Consent Petition that are not fully expressed herein or attached hereto. Each party specifically warrants that this Consent Petition is executed without reliance upon any statement or representation by any other party hereto, except as expressly stated herein.

L. The parties acknowledge and agree that this Consent Petition and all of its terms

are subject to and contingent upon the Consent Petition being approved by the Allegheny County Court of Common Pleas and entered as a Final Decree, Order or Judgment.

WHEREFORE, without trial or adjudication of the facts or law herein among the parties to this Consent Petition, Defendant agrees to this Court's signing and entry of a Final Decree, Order, or Judgment, ordering that Defendant shall be permanently enjoined from breaching any and all of the aforementioned provisions; and, the parties agree that this Consent Petition resolves any and all civil claims under the Consumer Protection Law, the Landlord Tenant Act and the FCEAU between the Commonwealth and Defendant, arising out of, or related to, the allegations in the aforementioned Complaint which occurred prior to the Effective Date of this Consent Petition, except for those rights expressly reserved herein by said parties to this action.

[SIGNATURES ON THE FOLLOWING PAGES]

WE HEREBY consent to the terms of this *Consent Petition for Final Decree*, evidenced by our signatures set forth below, and submit the same to this Honorable Court for the making and entry of a Final Decree, Order or Judgment of the Court.

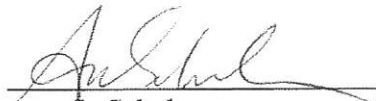
FOR THE PLAINTIFF:

**COMMONWEALTH OF
PENNSYLVANIA, OFFICE OF
ATTORNEY GENERAL**

**MICHELLE A. HENRY,
ATTORNEY GENERAL**

Date: 8/7/2024

By: _____



Amy L. Schulman
Senior Deputy Attorney General

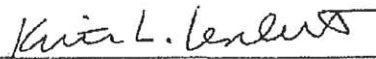
Commonwealth of Pennsylvania
Office of Attorney General
1251 Waterfront Place, Mezzanine Level
Pittsburgh, PA 15222
(412) 565-3523

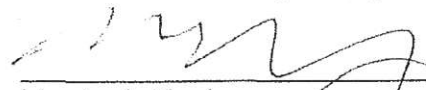
Date: 8/5/2024

Date: 8/7/24

FOR THE DEFENDANT:

A.R. BUILDING COMPANY, INC.

By: 
[Name, Title] **KEITH L. LENHART**
VICE PRESIDENT

By: 
Maurice A. Nernberg

Maurice A. Nernberg & Associates
301 Smithfield St.
Pittsburgh PA 15222
(412) 232-0334

Counsel for Defendant

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CIVIL DIVISION


G.D. No. 23-013110

FINAL DECREE

AND NOW, this 21st day of August, 2024, upon consideration of the above-captioned *Consent Petition for Final Decree*, this Court hereby approves the terms of the Consent Petition and adopts the same as the Final Decree and Judgment of this Court.

This Court shall maintain jurisdiction over this matter for enforcement purposes.

BY THE COURT:



The Honorable Christine A. Ward