

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

**COMMONWEALTH OF PENNSYLVANIA,
By DAVID W. SUNDAY, JR.,
ATTORNEY GENERAL,**

Petitioner,

v.

HOME365, LLC,

Respondent.

CIVIL DIVISION

M.S. No.

**ASSURANCE OF VOLUNTARY
COMPLIANCE**

Filed on Behalf of Petitioner:

**COMMONWEALTH OF
PENNSYLVANIA, DAVID W. SUNDAY, JR.
ATTORNEY GENERAL**

Counsel of Record for this Party:

**Amy L. Schulman
Senior Deputy Attorney General
P.A. I.D. No. 80888**

**1251 Waterfront Place
Mezzanine Level
Pittsburgh, PA 15222
(412) 565-3523**

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

COMMONWEALTH OF PENNSYLVANIA,	:	
By DAVID W. SUNDAY, JR.,	:	
ATTORNEY GENERAL,	:	
	:	
Petitioner,	:	CIVIL DIVISION
	:	
v.	:	
	:	
HOME365, LLC,	:	
	:	
Respondent.	:	

ASSURANCE OF VOLUNTARY COMPLIANCE

AND NOW, the Commonwealth of Pennsylvania, Office of Attorney General by Attorney General David W. Sunday, Jr. ("Commonwealth" or "Petitioner"), which caused an investigation to be made into the business practices of Home365, LLC ("Respondent"), pursuant to the Unfair Trade Practices and Consumer Protection Law, 73 P.S. § 201-1, *et seq.* ("Consumer Protection Law"), and states the following:

WHEREAS, Petitioner is the Commonwealth of Pennsylvania, Office of Attorney General, by Attorney General David W. Sunday, Jr., with offices located at with offices located at 1251 Waterfront Place, Mezzanine Level, Pittsburgh, Pennsylvania 15222; and 15th Floor, Strawberry Square, Harrisburg, Pennsylvania 17120;

WHEREAS, Respondent Home365, LLC is a Delaware Limited Liability Corporation and registered as a foreign Limited Liability Corporation with the Commonwealth of Pennsylvania Department of State Bureau of Corporations and Charitable Organizations, with a registered address of 800 New Holland, Rear, Lancaster, Pennsylvania 17602;

BACKGROUND

WHEREAS, since 2016, Respondent has engaged in trade and commerce in the Commonwealth of Pennsylvania by advertising, offering for sale, selling and performing residential property management services for homeowners and investors;

WHEREAS, Respondent's property management services include the advertising, leasing, and maintenance of residential rental properties located throughout the Commonwealth;

WHEREAS, Respondent uses an artificial intelligence based property management platform to assist its operations;

WHEREAS, in June of 2021, Respondent acquired Lancaster, Pennsylvania based SlateHouse Property Management and Realty, which expanded the number of properties under its management in the Commonwealth to approximately 6,000 properties;

WHEREAS, in Pennsylvania, landlords have a legal duty, referred to as the implied warranty of habitability, to provide tenants with safe and habitable housing;

WHEREAS, under Pennsylvania law the implied warranty of habitability cannot be waived;

WHEREAS, according to its leases with tenants, Respondent is responsible for "all management of the rental property" and accordingly Respondent collects security deposits and rental payments from consumers and is responsible for ensuring property maintenance and repairs are provided.

WHEREAS, Respondent is subject to the requirements of the Landlord Tenant Act of 1951, 68 P.S. §§ 250.101 *et seq.* ("Landlord Tenant Act");

WHEREAS, Section 250.511(a) of the Landlord Tenant Act permits the landlord to require tenants to pay funds into escrow, commonly referred to as a “security deposit,” for the payment of damages to the leasehold; 68 P.S. §250.511(a);

WHEREAS, Section 250.512 of the Landlord Tenant Act sets forth specific requirements for landlords regarding security deposits, and any attempted waiver of Section 250.512 by a tenant, by contract or otherwise is void and unenforceable; 68 P.S. §250.512(d);

WHEREAS, Section 250.512(a) of the Landlord Tenant Act requires a landlord “within thirty days of termination of a lease... [to] provide a tenant with a written list of any damages to the leasehold premise Section 250.504-A of the Landlord Tenant Act s for which the landlord claims the tenant is liable;” 68 P.S. § 250.512(a);

WHEREAS, Section 250.504-A of the Landlord Tenant Act, in part, prohibits a landlord from restricting a tenant’s right to purchase goods, services and the like from a source of the tenant's choosing, 68 P.S. § 250.504-A;

VIOLATIONS

WHEREAS, Petitioner alleges that Respondent failed in some instances to provide safe and habitable housing to certain Pennsylvania consumers, including failure to provide tenants with utility service (water and heat) and repairs necessary to timely fix water leaks, sewage leaks, and animal infestation;

WHEREAS, Petitioner alleges that Respondent failed in some instances to timely respond to certain maintenance requests submitted by consumers;

WHEREAS, Petitioner alleges that Respondent failed in some instances to properly inspect certain of its rental properties prior to leasing them to consumers;

WHEREAS, Petitioner alleges that Respondent's failure to properly inspect certain rental properties resulted in consumers moving into properties that were unsafe or had serious defects;

WHEREAS, Petitioner alleges that Respondent's failure to inspect and maintain certain rental properties subjected consumers to unsafe and uninhabitable living conditions;

WHEREAS, Petitioner alleges that Respondent failed to return certain tenants' security deposits within 30 days of the termination of the lease, as required by Section 250.512(a) of the Landlord Tenant Act; 68 P.S. § 250.512(a);

WHEREAS, Petitioner alleges the aforesaid conduct violates the Consumer Protection Law;

WHEREAS, Respondent agrees to cease and desist from engaging in the alleged misconduct and desires to comply with the Landlord Tenant Act, the Consumer Protection Law, and the civil laws of the Commonwealth; and

WHEREAS, this Assurance of Voluntary Compliance is accepted by the Commonwealth pursuant to Section 201-5 of the Consumer Protection Law, 73 P.S. § 201-5, in lieu of commencing statutory proceedings under Sections 201-4 or 201-8 of the Consumer Protection Law, 73 P.S. §§ 201-4, 201-8.

SETTLEMENT TERMS

NOW THEREFORE, having conducted trade and commerce within the Commonwealth, Respondent agrees for itself, its successors, assigns, agents, employees and all other persons acting on its behalf, directly or through any corporate or other business device, to the following:

- I. The above recitals are incorporated herein as though fully set forth.**
- II. Injunctive and Affirmative Relief**

1. Respondent shall comply with any and all provisions of the Consumer Protection Law and any amendments thereto; and, is permanently enjoined from any violation thereof.
2. Respondent shall comply with any and all provisions of the Landlord Tenant Act and any amendments thereto; and, is permanently enjoined from any violation thereof.
3. Respondent shall inspect the properties it offers for lease prior to advertising them to consumers to ensure that the properties are safe, habitable and meet all health/safety and licensing requirements;
4. Respondent shall ensure that the properties it advertises and offers for lease to consumers are authorized and approved for occupancy by local or municipal authorities.
5. Respondent shall maintain the rental properties that it manages in a safe and habitable condition.
6. Respondent shall provide and staff a telephone number and an email or on-line mechanism where consumers can report repair and maintenance requests.
7. Respondent shall respond to all emergency requests for maintenance or repairs within 24 hours.
8. Respondent shall maintain and return all security deposits in compliance with the requirements of Section 250.512(a) of the Landlord Tenant Act, 68 P.S. § 250.512(a).

III. Monetary Payment

A. Respondent shall pay the Commonwealth the sum of FORTY FIVE THOUSAND and 00/100 Dollars (\$45,000.00), which shall be allocated as follows:

1. **Restitution** in the amount of THIRTY THOUSAND Dollars (\$30,000).

- a. **Eligibility**- To be eligible for restitution, consumers must file a consumer complaint, relating to the acts and practices alleged herein, with the Bureau within ninety (90) days of the "Effective Date" of this Assurance of Voluntary Compliance. Any consumer complaints previously filed with the Bureau, relating to the acts and practices alleged herein, will automatically be deemed eligible for return of funds pursuant to this paragraph.
- b. **Restitution Administration** - The amount, manner and timing of the distribution of restitution funds shall be within the sole discretion of the Commonwealth.
- c. **Restitution Surplus** – In the event Respondent's restitution payment of \$30,000 exceeds the amount of consumer claims for restitution, the remaining restitution funds shall be paid to the Commonwealth, as reimbursement for its costs related to the Commonwealth's investigation and the filing and administration of this Assurance of Voluntary Compliance, or for any other purpose as permitted by state law.

2. **Public Protection and Educational Purposes** in the amount of FIFTEEN THOUSAND Dollars (\$15,000) shall be distributed to the Commonwealth of Pennsylvania, Office of Attorney General, as costs of investigation to be deposited into an interest-bearing account from which both principal and interest shall be expended for public protection and educational purposes.

C. **Payment Schedule** – In accordance with its obligation to pay the Commonwealth the amounts set forth in Paragraphs III. A. 1 and 2 herein, Respondent shall pay the Commonwealth TWENTY THOUSAND DOLLARS (\$20,000) upon its execution of this Assurance of Voluntary Compliance. Thereafter, Respondent shall pay the Commonwealth the remaining TWENTY FIVE THOUSAND DOLLARS (\$25,000) within six (6) months of the Effective Date.

D. **Form of Payment** - All payments made by Respondent to the Commonwealth, pursuant to this Assurance of Voluntary Compliance, shall be in the form of a certified check, cashier's check, or money order made payable to the "Commonwealth of Pennsylvania, Office of Attorney General" and shall be forwarded to Amy L. Schulman, Senior Deputy Attorney General, Commonwealth of Pennsylvania, Office of Attorney General, Bureau of Consumer Protection, 1251 Waterfront Place, Mezzanine Level, Pittsburgh, Pennsylvania 15222.

V. Miscellaneous Terms

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

B. In accordance with Section 201-5 of the Consumer Protection Law, this Assurance of Voluntary Compliance shall not be considered an admission of violation for any purpose. 73 P.S. § 201-5.

C. This Court shall maintain jurisdiction over the subject matter of this Assurance of Voluntary Compliance and over Respondent for the purpose of enforcing its terms.

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

E. Time shall be of the essence with regard to Respondent's obligations hereunder.

F. Daniel Shaked is the CEO of Home365, LLC and certifies that he is authorized to enter into and execute this Assurance of Voluntary Compliance on behalf of Respondent.

G. Respondent further agrees to execute and deliver all authorizations, documents and instruments which are reasonably 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.

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

I. 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 Assurance of Voluntary Compliance may be delivered by facsimile or electronic transmission with the intent that it or they shall constitute as original counterpart hereof.

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 those terms, including the payment terms set forth under Paragraph III.C herein, shall be sufficient warrant for the Commonwealth of Pennsylvania to petition this Court, or any court of competent jurisdiction, to assess the penalties provided under Section 201-8, 201-9, and 201-9.1, and to order any other equitable relief which the Court deems necessary or proper.

K. 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.

{SIGNATURES ON THE FOLLOWING PAGES}

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


FOR THE PETITIONER:

**COMMONWEALTH OF PENNSYLVANIA
OFFICE OF ATTORNEY GENERAL**

**DAVID W. SUNDAY, JR.
ATTORNEY GENERAL**

Date: 5/22/25

By:



Amy Schulman
Senior Deputy Attorney General

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

FOR THE RESPONDENT:

HOME365, LLC

Date: 5/21/2025

By:

Signed by:

Daniel Shaked

AB2F0B38E95C4F0...

Daniel Shaked, CEO
Home365, LLC

Date: 5/21/2025

By:

Signed by:

Daniel Arellano

8CC4740C15D24C6...

Daniel A. Arellano, Esquire

Herrera Arellano LLP
1001 North Central Ave
Suite 404
Phoenix, AZ 85004

Counsel for Respondent