



State Settles with Wisconsin O'Connor Corporation

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Media Contact: Jerad Albracht, 608-224-5007
Bill Cosh, Communications Director, 608-224-5020

MADISON – The State of Wisconsin reached a settlement with Wisconsin O'Connor Corporation (WOC) to resolve consumer complaints related to a number of landlord/tenant issues including illegal security deposit deductions and prohibited rental agreement provisions. The settlement includes \$500,000 in restitution, forfeitures, fees, and assessments.

The Department of Justice, on behalf of the Department of Agriculture, Trade and Consumer Protection, entered into a consent judgment specifically requiring WOC to make changes to its rental agreements, provide new agreements to current tenants, and provide specific notifications to tenants. The judgment requires three years of monitoring – the business will file a report with the Department of Agriculture, Trade and Consumer Protection every six months regarding security deposit actions.

Under the terms of the judgment, WOC will be required to comply with the requirements and prohibitions of Wisconsin rental laws. The business must:

- Remove contractual requirements that tenants give more than 28-days' notice to vacate an apartment.
- Remove contractual provisions that barred month-to-month tenants from ending their tenancy between October and March.
- Cease deducting future rent, or rent that is not yet due, from security deposits.
- Remove a provision that requires tenants to pay for replacements or improvements that are "minor in relation to the rent."
- Remove any provisions that attempt to waive the company's legally required duty to maintain the premises. Existing agreements with these provisions are not enforceable.
- Discontinue security deposit deductions for cleaning, repairs, replacements, decorations, or improvements that are the result of normal wear and tear.
- Provide clear and conspicuous verbiage in agreements with regard to late fee assessments.
- Provide (on a semi-annual basis) a notice to tenants who incur any late fees.

WOC is required to send a letter to tenants whose rental agreements are unenforceable due to violations of state law. These tenants will be required to continue making payments for rent and reasonable utility fees. Moving forward, unless the tenant agrees to a new rental agreement, their tenancy will be subject to requirements of state law.

The \$500,000 settlement includes:

- \$300,000 for restitution and the State's fees and expenses, including investigation costs. Currently the restitution stands at \$112,147.18. The exact restitution amount will be determined after WOC produces all outstanding security deposit return letters from January 1, 2010 to June 5, 2018.
- \$131,458.55 in civil forfeitures.
- \$68,541.45 in fees and assessments.

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If the company defaults on the established 6.5-year payment schedule and fails to cure the situation within 30 days of default notification, the judgment will be amended to include \$1,160,000 in payments to the State less any payments already made.

This settlement agreement also applies to residential rental properties owned by Mary Ann O'Connor.

By entering into this consent judgment, Wisconsin O'Connor Corporation does not admit that it has violated any laws or regulations of the State of Wisconsin.

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