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ATTORNEY GENERAL OF NEW JERSEY
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FILED
NOV 19 2010
JOHN F. MALONE
J.S.C.

SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION,
UNION COUNTY
DOCKET NO.: UNN-C-77-09

PAULA T. DOW, Attorney General of the State of New Jersey, and THOMAS R. CALCAGNI, Acting Director of the New Jersey Division of Consumer Affairs, Plaintiffs, v. GLOBAL AUTO, INC. d/b/a AUTO COLLECTION GROUP, JANE and JOHN DOES 1-10, individually and as owners, officers, directors, shareholders, founders, managers, agents, servants, employees, representatives and/or independent contractors of GLOBAL AUTO, INC. d/b/a AUTO COLLECTION GROUP, and XYZ CORPORATIONS 1-10, Defendants.	Civil Action **FINAL CONSENT JUDGMENT**

The Parties to this Action and Final Consent Judgment (the "Parties") are plaintiffs Paula T. Dow, Attorney General of the State of New Jersey ("Attorney General"), and Thomas R. Calgani, Acting Director of the New Jersey Division of Consumer Affairs ("Director") (collectively

"Plaintiffs"),[1] and defendant Global Auto, Inc., d/b/a Auto Collection Group ("Defendant"). As evidenced by their signatures below, the Parties do consent to the entry of this Final Consent Judgment (hereinafter "Consent Judgment") and its provisions without trial or adjudication of any issue of fact or law, and without an admission of any liability or wrongdoing of any kind.

PRELIMINARY STATEMENT

On May 26, 2009, Plaintiffs commenced this Action, alleging that Defendant engaged in deceptive conduct in its Advertisement and Sale of used Motor Vehicles at its dealership located in Elizabeth, New Jersey. On May 6, 2010, Plaintiffs filed a First Amended Complaint. Specifically, Plaintiffs alleged that Defendant, among other things: (1) made misleading Representations about Motor Vehicle prices; (2) improperly co-mingled sales documents with a dealership located outside the State; (3) failed to display the selling price of used Motor Vehicles; and (4) promised, then failed, to pay off a loan balance on a trade-in Motor Vehicle. Plaintiffs alleged violations of, and sought recovery under, the CFA, N.J.S.A. 56:8-1 et seq., the Motor Vehicle Advertising Regulations, N.J.A.C. 13:45A-26A.1 et seq., the Automotive Sales Regulations, N.J.A.C. 13:45A-26B.1 et seq., the UCLL, N.J.S.A. 56:8-80, and the UCLL Regulations, N.J.A.C. 13:45A-26F.1 et seq. Defendant denied the allegations.

IT IS HEREBY ORDERED, ADJUDGED AND AGREED AS FOLLOWS:

1. JURISDICTION

1.1 The Parties admit jurisdiction of this Court over the subject matter and over the Parties for the purpose of entering into this Consent Judgment. The Court retains jurisdiction for the

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[1] This action was commenced on behalf of Anne Milgram, former Attorney General, and David M. Szuchman, former Director. In accordance with R. 4:34-4, the caption has been revised to reflect the current Attorney General and Acting Director.

purpose of enabling the Parties to apply to this Court at any time for such further orders and relief as may be necessary for the construction, modification, enforcement, execution or satisfaction of this Consent Judgment.

2. VENUE

2.1 Pursuant to N.J.S.A. 56:8-8, venue as to all matters between the Parties hereto relating to or arising out of this Consent Judgment shall lie exclusively in the Superior Court of New Jersey, Chancery Division, Union County.

3. EFFECTIVE DATE

3.1 This Consent Judgment shall be effective on the date that it is entered with the Court ("Effective Date").

4. DEFINITIONS

As used in this Consent Judgment, the following words or terms shall have the following meanings, which meanings shall apply wherever the words and terms appear in this Consent Judgment

4.1 "Action" refers to the action entitled Paula Dow, et al. v. Global Auto, Inc., d/b/a Auto Collection Group, Superior Court of New Jersey, Chancery Division, Union County, Docket No. UNN-C-122-09, and all pleadings and proceedings related thereto.

4.2 "Automotive Sales Regulations" shall refer to the Regulations Governing Automotive Sales Practices, N.J.A.C. 13:45A-26B.1 et seq.

4.3 "Advertised", "Advertisement" or "Advertising" shall mean any written, oral or electronic statement, illustration or depiction that is designed to create interest in the purchase of, impart information about the attributes of, publicize the availability of, or effect the sale or use of,

goods or services, whether the statement appears in a brochure, newspaper, magazine, free-standing insert, circular, mailer, package insert, package label, product instructions, electronic mail, website, homepage, television, cable television, commercial or any other medium. For purposes of the Motor Vehicle Advertising Regulations, "Advertisement" shall be defined in accordance with N.J.A.C. 13:45A-26A.3.

4.4 "Affected Consumer" shall refer to the Consumers listed on Exhibit A.

4.5 "Attorney General" shall refer to the Attorney General of the State of New Jersey and the Office of the Attorney General of the State of New Jersey.

4.6 "Bronx National" shall refer to Bronx National, LLC, a motor vehicle dealership located at 4053 Boston Road, Bronx, New York 10466.

4.7 "Clearly and Conspicuously" shall mean a statement that, regardless of the medium in which it is made, is presented in such size, color, contrast, duration, location and audibility, compared to the other information with which it is presented, that it is readily apparent and understandable and in language and terms used in accordance with their common or ordinary usage and meaning. If such statement modifies, explains or clarifies other information with which it is presented, it must be presented in proximity to the information it modifies, explains or clarifies and in a manner that is readily apparent and understandable.

4.8 "Consumer" shall refer to any Person, defined in accordance with N.J.S.A. 56:8-1(d), who is offered Merchandise, defined in accordance with N.J.S.A. 56:8-1(c), for Sale, defined in accordance with N.J.S.A. 56:8-1(e).

4.9 "CFA" shall refer to the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et. seq.

4.10 "Division" or "Division of Consumer Affairs" shall refer to the New Jersey Division of Consumer Affairs.

4.11 "Documentary Service Fee" shall be defined in accordance with N.J.A.C. 13:45A-26B.1.

4.12 "Motor Vehicle" shall be defined in accordance with N.J.A.C. 13:45A-26A-3, for purposes of the Motor Vehicle Advertising Regulations..

4.13 "Motor Vehicle Advertising Regulations" shall refer to the Regulations Governing Motor Vehicle Advertising Practices, N.J.A.C. 13:45A-26A.1 et. seq.

4.14 "Person[s]" shall be defined in accordance with N.J.S.A. 56:8-1(d).

4.15 "Represent" means to state or imply through claims, statements, questions, conduct, graphics, symbols, lettering, formats, devices, language, documents, messages, or any other manner or means by which meaning might be conveyed. This definition applies to other forms of the word "Represent" including, without limitation, "Representation."and "Misrepresent."

4.16 "Restitution" shall refer to all methods undertaken by Defendant to resolve Consumer complaints including, but not limited to, the issuance of credits or refunds or the reversal or credit card or debit card charges.

4.17 "Sale" shall be defined in accordance with N.J.S.A. 56:8-1(e).

4.18 "Sales Document" shall be defined in accordance with N.J.A.C. 13:45A-26B.1.

4.19 "State" shall refer to the State of New Jersey.

4.20 "UCLL" shall refer to the Used Car Lemon Law, N.J.S.A. 56:8-67 et seq.

4.21 "UCLL Regulations" shall refer to the Used Car Lemon Law Regulations, N.J.A.C. 13:45A-26F.1 et seq.

5. BUSINESS PRACTICES AND INJUNCTIVE RELIEF

5.1 Defendant shall not engage in any unfair or deceptive acts or practices in the conduct of its business in the State and shall comply with such applicable State and/or Federal laws, rules and regulations, as now constituted or as may hereafter be amended including, but not limited to, the CFA, the Automotive Sales Regulations, the Motor Vehicle Advertising Regulations, the UCLL and the UCLL Regulations.

5.2 Defendant shall not co-mingle Sales Documents with any dealership outside the State including, but not limited to, Bronx National.

5.3 Defendant shall not permit any other automobile dealership including, but not limited to, Bronx National, to conduct business on its premises.

5.4 Defendant shall not issue temporary registrations for used Motor Vehicles unless it has the title to the vehicle in its possession.

5.5 Defendant shall only issue temporary registrations for used Motor Vehicles pursuant to a bona fide Sale or lease of such Motor Vehicles

5.6 Defendant shall honor the Advertised Sale price of a used Motor Vehicle.

5.7 Defendant shall honor all terms of a negotiated deal concerning the Sale of a used Motor Vehicle.

5.8 Defendant shall provide Consumers with title and registration to a Motor Vehicle prior to the expiration of temporary title and/or registration.

5.9 Defendant shall immediately return a Consumer's check or reverse a credit card charge after the Consumer has cancelled the Sale transaction and has not taken possession of the Motor Vehicle subject to the transaction.

5.10 Defendant shall not Misrepresent to a lending institution a Consumer's financial or other information.

5.11 Defendant shall not create a fictitious co-signer in order for a Consumer to obtain financing for the purchase of a Motor Vehicle.

5.12 Defendant shall not charge Consumers for certain merchandise (i.e. warranty) and then fail to provide such merchandise.

5.13 When agreed upon as part of a Sale, Defendant shall pay off all balances due lien holders on Motor Vehicles accepted as trade-ins no later than thirty (30) days after the Sale is consummated or finalized, as long as the Consumer has provided an accurate pay-off amount and has complied with all terms and conditions of the Sale including, but not limited to, obtaining finance approval.

5.14 Defendant shall undertake a search of CARFAX or a similar service, to discern the prior use (i.e. rental) of a Motor Vehicle offered for Sale. Defendant shall disclose such information to Consumers, prior to their purchase of the Motor Vehicle.

5.15 Defendant shall undertake a search of CARFAX or a similar service, to discern whether a Motor Vehicle offered for Sale has been involved in an accident or otherwise sustained damage. Defendant shall disclose such information to Consumers, prior to their purchase of the Motor Vehicle.

5.16 Defendant shall not offer for Sale a Motor Vehicle unless the total selling price is plainly marked by a stamp, tag, label or sign either affixed to the Motor Vehicle or located at the point where the Motor Vehicle is offered for Sale, in accordance with N.J.S.A. 56:8-2.5.

5.17 Defendant shall not require any Consumer to sign a blank Sales Document.

5.18 At the time of Sale, Defendant shall provide a Consumer with a full and accurate copy of all Sales Documents signed by the Consumer, as required by N.J.S.A. 56:8-2.22.

5.19 In its Advertisement of Motor Vehicles, Defendant shall Clearly and Conspicuously disclose whether a Motor Vehicle had been previously damaged and that substantial repair or body work has been performed on it when Defendant knows or should have known of such repair work or body work, in accordance with N.J.A.C. 13:45A-26A.7(a)(7).

5.20 In its Advertisement of a used Motor Vehicle at an Advertised price, Defendant shall Clearly and Conspicuously disclose the Motor Vehicle's prior use, when such prior use is known or should have been known by the Defendant, unless previously and exclusively owned or leased by individuals for personal use, in accordance with N.J.A.C. 13:45A-26A.5(b)2.

5.21 Defendant shall post the price of an Advertised used Motor Vehicle either at the dealership's main entrance or in proximity to the vehicle or on the vehicle itself, as required by N.J.A.C. 13:45A-26A.9(a)1.

5.22 Defendant shall post the Used Car Buyer's Guide either at the dealership's main entrance or in proximity to the vehicle or on the vehicle itself, as required by N.J.A.C. 13:45A-26A.9(a)3.

5.23 Defendant shall not fail to itemize Documentary Service Fees, as required by N.J.A.C. 13:45A-26B.2(a)(2)(I).

5.24 Defendant shall not fail to include on the front page of Sales Documents containing a Documentary Service Fee, the statement required by N.J.A.C. 13:45A-26B.2(a)(2)(iii).

5.25 Defendant shall collect an administrative fee of $0.50 from each Consumer who purchases a used Motor Vehicle, in accordance with N.J.A.C. 13:45A-26F.6(a).

5.26 By the 15th of every January, Defendant shall remit to the Division's Used Car Lemon Law Unit the administrative fees and/or documentation concerning the used Motor Vehicles sold, in accordance with N.J.A.C. 13:45A-26F.6(b).

6. RESTITUTION

6.1 Attached as Exhibit A is a list prepared by the Division that sets forth the amount of Restitution owed by Defendant to each Affected Consumer. On or before the Effective Date, Defendant shall provide Restitution to the Affected Consumers.

6.2 Within seventy-five (75) days of the Effective Date, Defendant shall provide written notification to the Division that the required Restitution has been provided to the Affected Consumers. Following the Division's verification that such Restitution has been provided, the Affected Consumer complaints shall be deemed closed by the Division for the purposes of this Consent Judgment.

7. SETTLEMENT AMOUNT

7.1. The Parties have agreed to a settlement of the Action in the amount of One Hundred Twenty Three Thousand Four Hundred Sixty Two and 26/100 Dollars ($123,462.26) (the "Settlement Amount").

7.2 The Settlement Amount comprises Eighty-Six Thousand Four Hundred Sixty Two and 26/100 Dollars in ($86,462.26) in civil penalties, pursuant to N.J.S.A. 56:8-13, Twenty-Nine Thousand and 00/100 Dollars ($29,000.00) in reimbursement of the Plaintiffs' attorneys' fees, pursuant to N.J.S.A. 56:8-19, and Eight Thousand and 00/100 Dollars ($8,000.00) in reimbursement of the Plaintiffs' investigative costs, pursuant to N.J.S.A. 56:8-11.

7.3 The Defendant shall pay Seventy Three Thousand Four Hundred Sixty Two and 26/100 Dollars ($73,462.26) of the Settlement Amount ("Settlement Payment") according to the following schedule:

(a) Defendant shall pay Ten Thousand and 00/100 Dollars ($10,000.00) within thirty (30) days of the Effective Date; and

(b) Commencing on August 1, 2010, Defendant shall make fourteen (14) payments of Four Thousand Five Hundred Thirty-Three and 02/100 Dollars ($4,533.02) by the first day of each month until September 1, 2011. Defendants shall 5 day grace period for receipt of payments

7.4 All payments made in satisfaction of The Settlement Payment shall be made by certified or cashier's check made payable to "New Jersey Division of Consumer Affairs" and shall be forwarded to the undersigned:

Jeffrey Koziar, Deputy Attorney General
State of New Jersey
Office of the Attorney General
Department of Law and Public Safety
Division of Law
Consumer Fraud Prosecution Section
124 Halsey Street - 5th Floor
P.O. Box 45029
Newark, New Jersey 07101

7.5 Upon making the Settlement Payment, Defendant shall immediately be fully divested of any interest in, or ownership of, the monies paid and all interest in the monies, and any subsequent interest or income derived therefrom, shall inure entirely to the benefit of the Plaintiffs pursuant to the terms herein.

7.6 For a period of one (1) year from the Effective Date, the Fifty Thousand and 00/100 Dollars ($50,000.00) balance of the Settlement Amount, which comprises civil penalties, pursuant

to N.J.S.A. 56:8-13 ("Suspended Penalty"), shall be suspended and automatically vacated at the end of that period, provided:

(a) Defendant complies with the restraints and conditions set forth in this Consent Judgment;

(b) Defendant makes provides Restitution to Affected Consumers as required under Section 6; and

(c) Defendant makes the Settlement Payment as required under Section 7.3.

7.7 In the event Defendant fails to comply with Section 7.6, the entire Suspended Penalty shall be immediately due and payable upon notice by the Plaintiffs. In any such notice, however, Plaintiffs shall provide Defendant with the specific details of the alleged noncompliance and Defendant shall be afforded a fifteen day (15) day period within which to cure any such noncompliance concerning non-monetary issues and a ten (10) day period within which to cure any such noncompliance concerning a monetary issue. In the event of Defendant's failure to cure any such noncompliance, Plaintiffs may move on short notice or by Order to Show Cause to have a Judgment entered for the Suspended Penalty.

8. GENERAL PROVISIONS

8.1 This Consent Judgment is entered into by the Parties as their own free and voluntary act and with full knowledge and understanding of the obligations and duties imposed by this Consent Judgment.

8.2 This Consent Judgment shall be governed by, and construed and enforced in accordance with, the laws of the State.

8.3 The Parties have negotiated, jointly drafted and fully reviewed the terms of this Consent Judgment and the rule that uncertainty or ambiguity is to construed against the drafter shall not apply to the construction or interpretation of this Consent Judgment.

8.4 This Consent Judgment contains the entire agreement among the Parties. Except as otherwise provided herein, this Consent Judgment shall be modified only by a written instrument signed by or on behalf of the Plaintiffs and Defendants.

8.5 If any portion of this Consent Judgment is held invalid or unenforceable by operation of law, the remaining terms of this Consent Judgment shall not be affected.

8.6 This Consent Judgment shall be binding upon the Parties as well as their successors in interest. In no event shall assignment of any right, power or authority under this Consent Judgment be used to avoid compliance with this Consent Judgment.

8.7 Except as otherwise explicitly provided in this Consent Judgment, nothing herein shall be construed to limit the authority of the Attorney General to protect the interests of the State or the people of the State.

8.8 This Consent Judgment is agreed to by the Parties and entered into for settlement purposes only. Neither the fact of, nor any provision contained in, this Consent Judgment nor any action taken hereunder shall constitute, or be construed as: (a) an approval, sanction or authorization by the Attorney General, the Division or any other governmental unit of the State of any act or practice of the Defendant; and (b) an admission by the Defendant that any of its acts or practices described in or prohibited by this Consent Judgment are unfair or deceptive or violate any of the Consumer protection laws of the State. This Consent Judgment is not intended, and shall not be deemed, to constitute evidence or precedent of any kind except in: (a) any action or proceeding by

one of the Parties to enforce, rescind or otherwise implement or affirm any or all of the terms of this Consent Judgment; or (b) any action or proceeding involving a Released Claim (as defined in Section 9) to support a defense of res judicata, collateral estoppel, release or other theory of claim preclusion, issue preclusion or similar defense.

8.9 The Parties Represent and warrant that their signatories to this Consent Judgment have authority to act for and bind the respective Parties.

8.10 Unless otherwise prohibited by law, any signatures by the Parties required for entry of this Consent Judgment may be executed in counterparts, each of which shall be deemed an original, but all of which shall together be one and the same Consent Judgment.

9. RELEASE

9.1 In consideration of the injunctive relief, payments, undertakings, mutual promises and obligations provided for in this Consent Judgment and conditioned on Defendant providing Restitution payments in the manner specified in Section 6 and making the Settlement Payment in the manner specified in Section7, Plaintiffs hereby agree to release Defendant from any and all civil claims or Consumer related administrative claims, to the extent permitted by State law, which the Plaintiffs could have brought prior to the Effective Date against Defendant for violations of the CFA, the Motor Vehicle Advertising Regulations, the Automotive Sales Regulations, the UCLL and the UCLL Regulations, as alleged in the Action, as well as the matters specifically addressed in this Consent Judgment (the "Released Claims").

9.2 Notwithstanding any term of this Consent Judgment, the following do not comprise Released Claims: (a) private rights of action, provided however, that nothing herein shall prevent Defendant from raising the defense of set-off against any Affected Consumer who has received

Restitution; (b) actions to enforce this Consent Judgment; and (c) any claims against Defendant by any other agency or subdivision of the State.

10. FORBEARANCE ON EXECUTION AND DEFAULT

10.1 Defendant agrees to pay all reasonable attorneys' fees and costs including, but not limited to Court costs, associated with any successful collection efforts by the Plaintiffs pursuant to this Consent Judgment.

10.2 On the Effective Date, Defendant shall provide the Plaintiffs with a writing containing the current address, telephone number and facsimile number for service of process in the event of default until its obligations under this Consent Judgment are completed. Within five (5) days of relocating to a new address or obtaining new telephone or facsimile numbers, Defendant shall provide a writing containing such information to the Plaintiffs.

10.3 In the event of Defendant's default under Section 7 of this Consent Judgment, service upon Defendant shall be effective upon mailing a notice via First Class Mail accompanied by a confirmed receipt facsimile transmission. Alternatively, Plaintiffs may effect service in the manner provided under Section 13.1.

11. PENALTIES FOR FAILURE TO COMPLY

11.1 The Attorney General (or designated representative) shall have the authority to enforce the provisions of this Consent Judgment or to seek sanctions for violations hereof or both.

11.2 The Parties agree that any future violations of the injunctive provisions of this Consent Judgment, the CFA, the Motor Vehicle Advertising Regulations, the Automotive Sales Regulations, the UCLL and/or the UCLL Regulations shall constitute a second or succeeding violation under N.J.S.A. 56:8-13 and that Defendant may be liable for enhanced civil penalties.

12. COMPLIANCE WITH ALL LAWS

12.1 Except as provided in this Consent Judgment, no provision herein shall be construed as:

(a) Relieving Defendant of its obligations to comply with all State and Federal laws, regulations or rules, as now constituted or as may hereafter be amended, or as granting permission to engage in any acts or practices prohibited by any such laws, regulations or rules; or

(b) Limiting or expanding any right the Plaintiffs may otherwise have to obtain information, documents or testimony from Defendant pursuant to any State or Federal law, regulation or rule, as now constituted or as may hereafter be amended, or limiting or expanding any right Defendant may otherwise have pursuant to any State or Federal law, regulation or rule, to oppose any process employed by the Plaintiffs to obtain such information, documents or testimony.

13. NOTICES UNDER THIS CONSENT JUDGMENT

13.1 Except as otherwise provided herein, any notices or other documents required to be sent to the Plaintiffs or Defendant pursuant to this Consent Judgment shall be sent by United States mail, Certified Mail Return Receipt Requested, or other nationally recognized courier service that provides for tracking services and identification of the Person signing for the documents. The notices and/or documents shall be sent to the following addresses:

For the Plaintiffs:

Jeffrey Koziar, Deputy Attorney General
State of New Jersey
Office of the Attorney General
Department of Law and Public Safety
Division of Law
Consumer Fraud Prosecution Section
124 Halsey Street - 5th Floor
P.O. Box 45029
Newark, New Jersey 07101

For the Defendant:

Michael B. Campagna, Esq.
277 North Broad Street
P.O. Box 15
Elizabeth, New Jersey 07207-0015

IT IS ON THE 19 DAY OF NOV, 2010 SO ORDERED, ADJUDGED AND DECREED.

HON. JOHN F. MALONE, P.J. CH.

JOINTLY APPROVED AND
SUBMITTED FOR ENTRY:

FOR THE PLAINTIFFS:

PAULA T. DOW
ATTORNEY GENERAL OF NEW JERSEY

By: _____ Dated: 10/29, 2010

Jeffrey Koziar
Deputy Attorney General
Consumer Fraud Prosecution Section

124 Halsey Street - 5th Floor
P.O. Box 45029
Newark, New Jersey 07101
Telephone: (973) 648-7819

FOR DEFENDANT:

By: _____ Dated: 6/14/10 ~~, 2010~~

Michael B. Campagna, Esq.

277 North Broad Street
P.O. Box 15
Elizabeth, New Jersey 07207-0015
(908) 289-5566

FOR DEFENDANT

By: _____ Dated: _____, 2010

FOR DEFENDANT

By: Michael B. Chaufagwa

Michael B. Chaufagwa
Registered Agent
Global Auto Sales

Dated: Nov 2, 2010

EXHIBIT A

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[redacted]