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SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION, PASSAIC COUNTY
DOCKET NO. PAS-C- 43-12

JEFFREY S. CHIESA, Attorney General of the State of New Jersey, and ERIC T. KANEFISKY, Acting Director of the New Jersey Division of Consumer Affairs,

Plaintiffs,

v.

THE RED CARPET PAGEANT AND PROM LLC d/b/a RED CARPET TUXEDOS; PATRICIA A. DOWLING, individually and as owner, officer, director, manager, employee, representative and/or agent of THE RED CARPET PAGEANT AND PROM LLC; MICHAEL J. DOWLING, individually and as owner, officer, director, manager, employee, representative and/or agent of THE RED CARPET PAGEANT AND PROM LLC; JANE AND JOHN DOES 1-20, individually and as owners, officers, directors, shareholders, founders, managers, agents, servants, employees, representatives and/or independent contractors of THE RED CARPET PAGEANT AND PROM LLC; and XYZ CORPORATIONS 1-20,

Defendants.

Civil Action

**VERIFIED
COMPLAINT**

Plaintiffs Jeffrey S. Chiesa, Attorney General of the State of New Jersey ("Attorney General"), with offices located at 124 Halsey Street, Fifth Floor, Newark, New Jersey, and Eric T. Kanefsky, Acting Director of the New Jersey Division of Consumer Affairs ("Acting Director"), with offices located at 124 Halsey Street, Seventh Floor, Newark, New Jersey, by way of Verified Complaint state:

PRELIMINARY STATEMENT

1. A prom is among the most significant events in an adolescent's life. Women often spend hundreds of dollars on dresses specifically for that occasion. Frequently, adolescent women special order dresses that require alterations and that are to be delivered at a later time. Under these circumstances, consumers are often required to pay upfront deposits of up to 100% of the cost of the dresses. If a seller of dresses fails to provide the contracted-for dresses, the consumers are faced with not only the ruination of this significant occasion, but also the loss of their funds and the need to locate and pay for another dress on very short notice.

2. As detailed below, defendants The Red Carpet Pageant and Prom LLC d/b/a Red Carpet Tuxedos ("Red Carpet"), Patricia A. Dowling ("P. Dowling") and Michael J. Dowling ("M. Dowling") (collectively, "Defendants") operated a retail location in Wayne, New Jersey that advertised, offered for sale and sold prom dresses that were special ordered and paid for, in full or in part, well in advance of the scheduled prom. In the midst of prom season, Red Carpet, closed its doors and ceased its business operations. As a result, many young women who paid for dresses in full or in part, did not receive their dresses or a refund. Defendants' conduct constitutes multiple violations of the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq. ("CFA"). The Attorney General and Acting Director (collectively, "Plaintiffs") bring this action in connection with an Order to Show Cause with Temporary Restraints, among other things, to protect consumers by obtaining possession of the Red Carpet's remaining inventory, as well as to preserve Defendants' assets and records.

PARTIES AND JURISDICTION

3. The Attorney General is charged with the responsibility of enforcing the CFA. The Acting Director is charged with the responsibility of administering the CFA and all the regulations promulgated thereunder, N.J.A.C. 13:45A-1.1 et seq. (“CFA Regulations”), on behalf of the Attorney General.

4. By this action, Plaintiffs seek injunctive relief and other relief for violations of the CFA. Plaintiffs bring this action pursuant to their authority under the CFA, specifically N.J.S.A. 56:8-8, 56:8-11, 56:8-13 and 56:8-19. Venue is proper in Passaic County, pursuant to R. 4:3-2(b), because it is a county in which Defendants have conducted business.

5. Red Carpet is a domestic Limited Liability Company established in the State of New Jersey (“State” or “New Jersey”) on August 11, 2009 and cancelled on December 22, 2011. At all relevant times, Red Carpet has maintained a main business address of 1200 Route 23 North, Wayne, New Jersey 07470 (“1200 Route 23 North, Wayne”).

6. Red Carpet’s registered agent in the State is Lynn Skorenko (“Skorenko”), who maintains a mailing address of 36 Musket Lane, Eatontown, New Jersey 07724.

7. Upon information and belief, at all relevant times, P. Dowling and Skorenko have been the sole members of Red Carpet, and P. Dowling has been the sole manager.

8. Upon information and belief, Red Carpet has also conducted business as Red Carpet Tuxedos, which is not registered as an alternate name for Red Carpet, nor as corporation, limited liability company or trade name.

9. P. Dowling’s last known mailing address is 201 Shelly Lane, Deptford, New Jersey 08096 (“201 Shelly Lane, Deptford”) and/or 201 Shelly Lane, Woodbury, New Jersey 08096 (“201

Shelly Lane, Woodbury”). Upon information and belief, 201 Shelly Lane, Deptford and 201 Shelly Lane, Woodbury are the same location, which is on the border of Deptford and Woodbury, though the correct municipality is Deptford.

10. Upon information and belief, at all relevant times, M. Dowling has been the husband of P. Dowling and maintains a mailing address of 201 Shelly Lane Deptford and/or 201 Shelly Lane Woodbury.

11. M. Dowling has been involved in the operation of Red Carpet at least after P. Dowling ceased managing and/or operating Red Carpet.

GENERAL ALLEGATIONS COMMON TO ALL COUNTS

12. At least since in or about January 2012, Defendants have been engaged in the business of advertising, offering for sale and selling dresses and other formal wear for pageants and proms at 1200 Route 23 North, Wayne under the name Red Carpet.

13. Upon information and belief, at all relevant times, Defendants advertised to consumers within and outside New Jersey among other things, through their internet website, www.theredcarpetprom.com (the “Red Carpet Website”).

14. At least as of January 2012, consumers purchased special order dresses from Red Carpet in amounts varying from \$179.00 to \$500.00.

15. At least as of on or about May 5, 2012, Defendants contacted consumers and advised them that the dresses were ready for pick-up. When consumers arrived at the Red Carpet location, they found the store closed and/or no one there.

16. Many consumers who sought to pick-up dresses and found the Red Carpet store closed then contacted the Wayne Police Department (the “Wayne P.D.”) about the situation.

17. At varying times, consumers attempted to contact Defendants to discern the status of their orders, and were unable to speak with anyone because, among other things, the Red Carpet store's voicemail was full.

18. At least in one (1) instance, Defendants contacted a consumer to advise her that her dress was ready, but when the consumer arrived at the Red Carpet location, she found the store closed. Upon information and belief, the Wayne P.D. obtained a list of dresses that were available in the Red Carpet store, and that consumer's dress was not on the list.

19. On at least one (1) occasion, Defendants contacted a consumer to advise her that her prom dress was available for pick up. When the consumer arrived at the Red Carpet store, the dress was not found.

20. At least in one (1) instance, a consumer ordered formal wear and provided Defendants with a rental payment, and later discovered that Defendants failed to submit the order to the supplier.

21. Upon information and belief, although most consumers paid for the prom dresses by credit card, some consumers paid with cash.

22. Upon information and belief, on or about May 16, 2012, P. Dowling filed a police report with the Wayne P.D. claiming that dresses and cash had been stolen from the Red Carpet store ("P. Dowling Police Report").

23. Upon information and belief, the Wayne P.D. later determined that the P. Dowling Police Report was false, and that P. Dowling had in fact simply moved the dresses that she allegedly claimed had been stolen to the back of the Red Carpet store.

24. Upon information and belief, on or before April 27, 2012, P. Dowling ceased operating Red Carpet and thereafter, ceased answering her cellular phone and her whereabouts became unknown.

25. Upon information and belief, in P. Dowling's absence, M. Dowling and Debra A. Koerner ("Koerner") a seamstress working for Red Carpet, have distributed some prom dresses to consumers.

26. Upon information and belief, Koerner distributed dresses to consumers at the Red Carpet store, but also was in possession of some dresses which she was distributing to consumers.

27. Upon information and belief, as of June 4, 2012, there are approximately ten (10) dresses at the Red Carpet store ready for consumer pickup.

28. Upon information and belief, at least sixteen (16) consumers have paid Defendants in full or in part for dresses yet to be provided, in the aggregate amount of at least \$5,432.

29. Upon information and belief, the dresses that Red Carpet sold this year were scheduled to be worn by consumers as follows: (a) fifty-nine (59) in May 2012; (b) eighty (80) in June 2012; (c) one (1) in August 2012; and (d) one (1) in October 2012.

COUNT I

VIOLATION OF THE CFA BY DEFENDANTS (UNCONSCIONABLE COMMERCIAL PRACTICES)

30. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 29 above as if more fully set forth herein.

31. The CFA prohibits:

The act, use or employment by any person of any unconscionable commercial practice, deception, fraud, false pretense, false promise,

misrepresentation, or the knowing[] concealment, suppression, or omission of any material fact with intent that others rely upon such concealment, suppression or omission, in connection with the sale or advertisement of any merchandise or real estate, or with the subsequent performance of such person as aforesaid, whether or not any person has in fact been misled, deceived or damaged thereby...

[N.J.S.A. 56:8-2.]

32. The CFA defines "merchandise" as including "any objects, wares, goods, commodities, services or anything offered, directly or indirectly to the public for sale." N.J.S.A. 56:8-1(c).

33. At all relevant times, Defendants have been engaged in the advertisement, offering for sale and sale of merchandise within the meaning of N.J.S.A. 56:8-1(c), specifically pageant and prom dresses and other formal wear.

34. In the operation of their business, Defendants have engaged in the use of unconscionable commercial practices.

35. Defendants have engaged in unconscionable commercial practices including, but not limited to, the following:

- a. Taking payment, in full or in part, for special order pageant or prom dresses and other formal wear to be provided later, and then failing to provide the garments;
- b. Taking payment, in full or in part, for formal wear and then failing to submit the order with the supplier;
- c. Taking payment, in full or in part, for special order pageant or prom dresses and other formal wear to be delivered in May 2012, and then abruptly ceasing business operations in or about May 2012;
- d. Failing to provide refunds to consumers who did not receive their special order pageant or prom dresses or other formal wear; and

- e. Failing to respond to consumer complaints, inquires and requests for merchandise or refunds in a timely manner or at all.

36. Each unconscionable commercial practice by Defendants constitutes a separate violation of the CFA, N.J.S.A. 56:8-2.

COUNT II

VIOLATION OF THE CFA BY DEFENDANTS (FALSE PROMISES, MISREPRESENTATIONS AND DECEPTION)

37. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 36 above as if more fully set forth herein.

38. In the operation of their business, Defendants have engaged in false promises, misrepresentations and/or deception including, but not limited to:

- a. Taking consumer payments, in full or in part, for special order pageant or prom dresses or other formal wear and then misrepresenting that the merchandise would be available for pick-up by a date certain;
- b. Contacting consumers and advising them that their prom dresses were available for pick-up at the Red Carpet Store, when such was not the case;
- c. At least in one (1) instance, taking a consumer deposit and representing that his order for formal wear would be placed with the supplier, when such was not the case; and
- d. Promising, then failing to provide, consumers with their contracted for merchandise.

39. Each false promise, misrepresentation and/or act of deception by Defendants constitutes a separate violation under CFA, N.J.S.A. 56:8-2.

COUNT III

VIOLATION OF THE CFA BY P. DOWLING

40. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 39 above as if more fully set forth herein.

41. At all relevant times, P. Dowling has been manager of Red Carpet and has controlled, directed and/or participated in the management and operation of that entity.

42. By her conduct, P. Dowling is personally liable for the violations of the CFA committed by Red Carpet.

PRAYER FOR RELIEF

WHEREFORE, based upon the foregoing allegations, Plaintiffs respectfully request that the Court enter judgment against Defendants:

- (a) Finding that the acts and omissions of Defendants constitute multiple instances of unlawful practices in violation of the CFA, N.J.S.A. 56:8-1 et seq.;
- (b) Permanently enjoining Defendants and their owners, officers, directors, shareholders, members, founders, managers, agents, servants, employees, representatives, independent contractors and all other persons or entities directly under their control, from engaging in, continuing to engage in, or doing any acts or practices in violation of the CFA, N.J.S.A. 56:8-1 et seq., including, but not limited to, the acts and practices alleged in this Verified Complaint;
- (c) Permanently enjoining Defendants and their owners, officers, directors, shareholders, members, founders, managers, agents, servants, employees, representatives, independent contractors and all other persons or entities directly under their control, from engaging in the activity that is the subject of Plaintiffs' request for temporary and preliminary injunctive relief, as set forth in the accompanying Order to Show Cause with Temporary Restraints Pursuant to Rule 4:52;

- (d) Authorizing Plaintiffs to enter the Red Carpet business premises, impound all merchandise relating to Defendants' provision of pageant or prom dresses or other formal wear, and establish an orderly procedure to determine the proper distribution of Defendant's merchandise, in accordance with N.J.S.A. 56:8-3(d) and N.J.S.A. 56:8-8;
- (e) Freezing all assets of Defendants and preventing Defendants from engaging in any act of disposition of those assets, in accordance with N.J.S.A. 56:8-8;
- (f) Directing the assessment of restitution amounts against Defendants, jointly and severally, to restore to any affected person, whether or not named in this Verified Complaint, any money or real or personal property acquired by means of any alleged practice herein to be unlawful and found to be unlawful, as authorized by the CFA, N.J.S.A. 56:8-8;
- (g) Assessing the maximum statutory civil penalties against Defendants, jointly and severally, for each and every violation of the CFA, in accordance with N.J.S.A. 56:8-13;
- (h) Directing the assessment of costs and fees, including attorneys' fees, against Defendants, jointly and severally, for the use of the State of New Jersey, as authorized by the CFA, N.J.S.A. 56: 8-11 and N.J.S.A. 56:8-19;
- (i) Appointing a receiver, pursuant to N.J.S.A. 56:8-8, at Defendants' expense, to assume control over the assets of Defendants, render a full accounting, wind up the affairs of and arrange for the dissolution of Red Carpet, and thereafter to sell and/or convey such assets under the direction of the Court in order to restore any person who has suffered damages, whether named in the Verified Complaint or not, as a result of the unlawful acts of Defendants; and
- (j) Granting such other relief as the interests of justice may require.

JEFFREY S. CHIESA
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiffs

By: 

Nicholas Kant
Deputy Attorney General

Dated: June 5, 2012
Newark, New Jersey