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Division of Law  
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By: Cathleen O'Donnell / Glenn T. Graham  
Deputy Attorneys General



**FILED**

SEP 14 2012

**Robert P. Contillo**  
P.J.Ch.

SUPERIOR COURT OF NEW JERSEY  
CHANCERY DIVISION, BERGEN COUNTY  
DOCKET NO. BER-C-86-12

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

Plaintiffs,

Civil Action

v.

GLOBAL TRAVEL SOLUTIONS, LLC, JASON A. KRIECK, JOHN and JANE DOES 1-10, individually and as owners, officers, directors, shareholders, founders, managers, members, agents, servants, employees, representatives and/or independent contractors of GLOBAL TRAVEL SOLUTIONS, LLC and/or JASON A. KRIECK, and XYZ CORPORATIONS 1-10,

Defendants.

**FINAL CONSENT JUDGMENT**

GLOBAL TRAVEL SOLUTIONS, LLC, JASON A. KRIECK, et al.,

Third Party Plaintiffs,

v.

RESERVATION SERVICES GROUP, LLC, a Florida Limited Liability Company; RESERVATION SERVICES INTERNATIONAL, LLC, a Florida Limited Liability Company, FIRST AMERICAN TITLE INSURANCE COMPANY, a California Corporation; WONDERLANDS INCENTIVES, a Virginia Corporation; V.I.P. TRAVEL RESERVATIONS, INC., a Florida Corporation; PERFEKT MARKETING, LLC, an Arizona Limited Liability Company; INTEGRATED MARKETING SOLUTIONS, INC., a Pennsylvania Corporation; JACK P FOR KIDS, LLC, a Pennsylvania Corporation, UNIVERSAL ACCOUNT SERVICING, LLC, a Missouri Limited Liability Company, GOODBYE TIMESHARE, LLC, a Virginia Limited Liability Company, CLASSIC PROMOTIONS, LLC, a Florida Corporation, individual capacities,

Third Party Defendants.

The parties to this action (“Action”) and Final Consent Judgment (“Consent Judgment”) are plaintiffs Jeffrey S. Chiesa, Attorney General of the State of New Jersey, and Eric T. Kanefsky, Acting Director of the New Jersey Division of Consumer Affairs (collectively, Plaintiffs”),<sup>1</sup> and Defendants Global Travel Solution, LLC (“Global Travel”) and Jason A. Kriek, (“Kriek”) (collectively, “Defendants”). As evidenced by their signatures below, Plaintiffs and Defendants (collectively, “Parties”) consent to entry of this Final Consent Judgment (“Consent Judgment”) and its provisions without trial or adjudication of any issue of fact or law, and without an admission of liability or wrongdoing of any kind. The Parties consent to entry of this Consent Judgment to avoid the expenses and uncertainty associated with further investigation and/or litigation.

#### **PRELIMINARY STATEMENT**

On March 15, 2012, Plaintiffs commenced this action by Order to Show Cause, alleging that Defendants engaged in conduct in violation of the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq. (“CFA”), and the Regulations Governing General Advertising, N.J.A.C. 13:45A-9.1 et seq. (“Advertising Regulations”), arising from their Advertisement and Sale of Memberships for which Consumers paid sums ranging from \$995.00 to \$9,995.00. Defendants have denied the allegations.

The Court has reviewed the terms of this Consent Judgment and based upon the Parties’ agreement and for good cause shown:

**IT IS HEREBY ORDERED, ADJUDGED AND AGREED AS FOLLOWS:**

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<sup>1</sup> This action was commenced on behalf of Thomas R. Calcagni, former Director of the New Jersey Division of Consumer Affairs (“Director”). Pursuant to R. 4:34-4, the caption has been revised to reflect the current Acting Director.

## **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 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 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, Bergen 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 "Advertise" or "Advertisement" 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, price label, newspaper, magazine, free-standing inset, bill board, circular, mailer, package insert, package label, product instructions, electronic mail, Global Travel Website, other website, homepage, television, cable television,

radio, commercial or any other medium. For purposes of the Advertising Regulations, "Advertisement" shall be defined in accordance with N.J.A.C. 13:45A-9.1.

4.2 "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.

4.3 "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.

4.4 "Complimentary Item" means any free or complimentary item offered by or on behalf of Defendants in connection with their Advertisement and Sale of Memberships including, but not limited to, round trip tickets for two (2) anywhere in the continental United States and a cruise for two (2).

4.5 "Consumer" means any Person to whom Defendants directly or indirectly offered Merchandise for Sale.

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

4.7 "Duvera" means Duvera Billing Services, LLC, with offices located at 1910 Palomar Point Way, Suite 101, Carlsbad, California 92008.

4.8 "Global Travel Website" refers to the website located at <http://www.globaltravelsolutionsllc.com> which directs Consumers to <http://funwithgts.com>.

4.9 “Memberships” mean vacation travel membership packages Advertised, offered for Sale and/or sold by or on behalf of Defendants including, but not limited to, the Silver Membership, the Platinum Membership and the Diamond Membership.

4.10 “Merchandise” shall be defined in accordance with N.J.S.A. 56:8-1(d) and includes, but is not limited to, Memberships.

4.11 “New Jersey” or “State” shall refer to the State of New Jersey.

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

4.13 “Purchasing Consumer” means any Consumer who purchased a Membership.

4.14 “Represent” shall mean 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, “Misrepresent.”

4.15 “RSI/RSG” means Reservation Services International, LLC, with offices located at 501 N. Wymore Road, Winter Park, Florida 32789 and Reservation Services Group, LLC, with offices located at 501 N. Wymore Road, Winter Park, Florida 32789.

4.16 “Sales Presentation” shall refer to any presentation at which Defendants offered for Sale and/or sold Memberships including, but not limited to, those held at Defendants’ business locations as well as any facility rented on a temporary or short term basis.

4.17 “Third Party Defendants” shall mean RSI/RSG; First American Title Insurance Company, a California corporation with a principal place of business at 2300 Maitland Center Parkway, Suite 201, Maitland, Florida 32751; Wonderland Incentives, a Virginia Corporation with a principal place of business at 14527 Jefferson Davis Highway, Woodbridge, Virginia 22191; V.I.P. Travel Reservations, Inc., a Florida corporation with a principal place of business

at 4606 South Clyde Morris Boulevard, Suite 1P, Port Orange, Florida 32129; Perfekt Marketing, LLC, an Arizona Limited Liability Company with a principal place of business at 3015 South 48<sup>th</sup> Street, Tempe, Arizona 85282; Integrated Marketing Solutions, Inc., a Pennsylvania corporation with a principal place of business of 1328 Capouse Avenue, Scranton, Pennsylvania 18503; Jack P For Kids, LLC, a Pennsylvania Limited Liability Company with a principle place of business of 1328 Capouse Avenue, Scranton, Pennsylvania 18503; Universal Account Servicing, LLC, a Missouri Limited Liability Company, with a principal place of business at 702 Fleix Street, Saint Joseph, Missouri, 64501-2236; Goodbye Timeshare, LLC, a Virginia Limited Liability Company with a principal place of business at 907 Richmond Road, Williamsburg, Virginia 23185; and Classic Promotions and Premiums, Inc., a Delaware corporation with a principal place of business at 2257 Vista Parkway #9, West Palm Beach, Florida 33411.

4.18 “Travel Benefits” means all travel benefits offered as part of a Membership including, but not limited to, hotel, resort, condominium, suite and villa accommodations, all-inclusive resorts, airlines and cruise lines, and car rentals.

## **5. INJUNCTIVE RELIEF AND BUSINESS PRACTICES**

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

5.2 Defendant Kriek is enjoined from owning and/or operating any business or other entity in the State that is engaged in the Advertisement, offering for Sale and/or Sale of Memberships.

5.3 Defendants shall not forward any direct mailings that Represent that a Consumer is entitled to receive a Complimentary Item and then require Consumers to attend a Sales Presentation, perform any other act or make any payment, in violation of N.J.S.A. 56:8-2.3.

5.4 Defendants shall not induce Consumers to attend presentations for Memberships by offering a Complimentary Item that is, in fact, not complimentary.

5.5 During Sales Presentations, Defendants shall not show Consumers a PowerPoint slide presentation and/or video with accommodations and pricing that are not available through a Membership.

5.6 During Sales Presentations, Defendants shall not advise Consumers that they will have immediate ability to book vacations through, or have access to, the Global Travel Website or other website, when such is not the case.

5.7 During Sales Presentations, Defendants shall not Misrepresent the types of accommodations and discounted pricing available to Purchasing Consumers.

5.8 In their Advertisement and Sale of Memberships, Defendants shall not Represent that they secure discounted pricing for vacations and accommodations that Consumers cannot obtain through free sources (i.e. hotel or cruise websites and Expedia).

5.9 Defendants shall not charge Purchasing Consumers who cancel their Memberships a restocking fee.

5.10 In their Advertisement and Sale of Memberships, Defendants shall not charge Consumers' credit cards at the same time or before Consumers have been presented with and signed all relevant Membership documents.

5.11 In their Advertisement and Sale of Memberships, Defendants shall not artificially inflate the price of Memberships in order to convince Consumers to transfer their time share(s) to Defendants to pay for a portion of the Membership.

5.12 In their Advertisement and Sale of Memberships, Defendants shall not artificially inflate the price of Membership in order to convince Consumers into believing they are getting a bargain at the price at which they actually purchased the Membership.

5.13 Defendants shall not charge Consumers varying dollar amounts for the same Membership.

5.14 Defendants shall not charge Consumers the same price for a Membership, but then randomly change the length of time of the Membership.

5.15 During Sales Presentations and otherwise, Defendants shall not Misrepresent the quality, nature, pricing or availability of any Travel Benefits Advertised, offered for Sale and/or sold as part of any Membership.

5.16 During Sales Presentations and otherwise, Defendants shall Clearly and Conspicuously disclose to Consumers the process for booking Travel Benefits.

5.17 Defendants shall not place various restrictions on Purchasing Consumers' ability to cancel Memberships as to make it difficult, if not impossible, to cancel within three (3) days, including requiring Consumers to deliver a written cancellation to Defendants' business location.

5.18 Defendants shall not continue to charge Purchasing Consumers' credit cards, even after such Consumers were denied access to the Global Travel Website and/or attempted to cancel their Memberships.

5.19 Defendants shall not submit bills to collection agencies after Purchasing Consumers have cancelled their contract for a Membership and/or formally disputed the charges.



5.20 No later than two (2) days from the Effective Date, Defendants shall provide written notification to Duvera requiring it to stop all collection activity on behalf of Global Travel and/or KriECK seeking monies from Purchasing Consumers. Defendants shall simultaneously provide the Plaintiffs with a copy of such notification. No later than seven (7) days from the Effective Date, Defendants shall provide Plaintiffs with written confirmation from Duvera that such collection activity has stopped.

5.21 No later than two (2) days from the Effective Date, Defendants shall provide written notification to Duvera requiring it to stop all collection activity seeking monies from Purchasing Consumers whose debts Duvera purchased from Global Travel and/or KriECK. Defendants shall simultaneously provide the Plaintiffs with a copy of such notification. No later than seven (7) days from the Effective Date, Defendants shall provide Plaintiffs with written confirmation from Duvera that such collection activity has stopped.

5.22 No later than two (2) days from the Effective Date, Defendants shall provide written notice to RSI/RSG terminating any and all contractual arrangements between Global Travel and/or KriECK and RSI/RSG, including, but not limited to, any Assignment and Assumption of Licenses and Fulfillment Obligations. Defendants shall simultaneously provide Plaintiffs with a copy of such notification. No later than seven (7) days from the Effective Date, Defendants shall provide Plaintiffs with written confirmation that such cancellation has been effected.

5.23 No later than two (2) days from the Effective Date, Defendants shall provide written notification to RSI/RSG requiring it to stop all collection activity seeking any fees, including, but not limited to, any license servicing fee, license renewal fee, monthly fee, and/or annual fee from Purchasing Consumers. Defendants shall simultaneously provide Plaintiffs with

a copy of such notification. No later than seven (7) days from the Effective Date, Defendants shall provide Plaintiffs with written confirmation that such collection activity has stopped.

5.24 No later than seven (7) days from the Effective Date, Defendant Krieck shall arrange for the dissolution of Global Travel and shall provide to Plaintiffs written confirmation of such dissolution as well as a final accounting of the winding up of its affairs.

5.25 In the event that Defendant Krieck files for personal bankruptcy, he will provide written notification to Plaintiffs within fifteen (15) days of such filing.

## **6. SETTLEMENT AMOUNT**

6.1 The Parties have agreed to a settlement of the Action in the amount of Three Million Six Hundred Thousand Seventh Hundred Thirteen and 89/100 Dollars (\$3,600,713.89) (“Settlement Amount”).

6.2 The Settlement Amount comprises Seven Hundred Fifty Thousand and 00/100 Dollars (\$750,000.00) in civil penalties, pursuant to N.J.S.A. 56:8-13, Two Million Six Hundred Fifty-One Thousand Seven Hundred Thirteen and 89/100 Dollars (\$2,651,713.89) in Consumer restitution, pursuant to N.J.S.A. 56:8-8, and One Hundred Forty Thousand and 00/100 Dollars (\$140,000.00) in reimbursement of the Plaintiffs’ attorneys’ fees and Fifty-Nine Thousand and 00/100 Dollars (\$59,000.00) in reimbursement of the Plaintiffs’ investigative costs, pursuant to N.J.S.A. 56:8-11 and N.J.S.A. 56:8-19.

6.3 Plaintiffs and Defendants consent to Statewide entry of judgment for the Settlement Amount (“Judgment”).

6.4 Defendants shall be jointly and severally liable for the satisfaction of the Judgment.

6.5 Out of the Settlement Amount, Defendant KriECK shall pay Three Hundred Fifty Thousand and 00/100 (\$350,000.00) to the Division (“KriECK Settlement Payment”).

6.6 Defendant KriECK shall make quarterly payments in satisfaction of the Kireick Settlement Payment, beginning on January 1, 2013 and thereafter occurring on April 1, 2013, July 1, 2013, and October 1, 2013, and continuing each year thereafter until the KriECK Settlement Payment is satisfied.

6.7 The quarterly payment referenced in Section 6.6 shall total Fourteen Thousand and 00/100 Dollars (\$14,000.00) per year, or ten percent (10%) of Defendant KriECK’s adjusted gross income identified on his personal income tax return for the preceding year, whichever is greater (“Yearly Payment”). In no event shall the quarterly payment be less than Three Thousand Five Hundred and 00/100 Dollars (\$3,500.00).

6.8 On May 1st of each year following the Effective Date until the KriECK Settlement Payment is satisfied, Defendant KriECK shall provide Plaintiffs with a copy of his complete Federal personal income tax returns, including all applicable schedules, as well as the Financial Disclosure Statement attached here as Exhibit A. Defendant KriECK shall also provide Plaintiffs with an executed IRS Form 4506 Request for Copy of Tax Return to authorize Plaintiffs to request Defendant KriECK’s income tax returns.

6.9 On or before August 15<sup>th</sup> of each year following the Effective Date until the KriECK Settlement Payment is satisfied, Plaintiffs shall notify Defendant KriECK of the total amount of the next Yearly Payment, which shall be paid quarterly, commencing with the October 1st payment and continuing with the January 1<sup>st</sup>, April 1st and July 1<sup>st</sup> payments for the subsequent year. Such Yearly Payment shall not be less than Fourteen Thousand and 00/100 Dollars (\$14,000.00).

6.10 All payments in satisfaction of the KriECK Settlement Payment shall be made by certified check, attorney trust account check or other guaranteed funds made payable to "New Jersey Division of Consumer Affairs" and shall be forwarded to the undersigned:

Cathleen O'Donnell, Deputy Attorneys General  
Consumer Fraud Prosecution Section  
State of New Jersey, Department of Law and Public Safety  
Division of Law  
124 Halsey Street - 5<sup>th</sup> Floor  
Newark, New Jersey 07101

6.11 Upon making any payment in satisfaction of the KriECK Settlement Payment in whole or in part, Defendants 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.

6.12 Based upon Defendants' prior representations as to their financial status, the Plaintiffs agree to suspend the remainder of the Judgment subject to the injunctive provisions, and monetary payments required in Sections 5 and 6 respectively.

6.13 In the event that Defendant KriECK fails to comply with Sections 5 and 6, the entire Judgment shall be immediately due and payable upon written notice by Plaintiffs. In any such notice, however, Plaintiffs shall provide Defendant KriECK with the specific details of Defendant KriECK's alleged noncompliance and Defendant KriECK shall be afforded a thirty (30) day period within which to cure any such noncompliance ("Cure Period"). In the event that Defendant KriECK cures the noncompliance within the Cure Period, the Judgment shall return to its suspended status. In the event that Defendant KriECK fails to cure the noncompliance within the Cure Period, the suspension of the Judgment shall be lifted and the entire Settlement Amount shall become immediately due and payable.

6.14 In addition, if the Plaintiffs discover that Defendants failed to disclose any material asset or source of income or materially misrepresented the value of any asset or source of income or made any other material misrepresentation in or omission from the financial information that has been or is to be supplied to the Plaintiffs, the suspension of the Judgment will be lifted and the entire Judgment shall become immediately due and payable upon notice by Plaintiffs to Defendant Kriek.

## **7. DISMISSAL OF ACTION**

7.1 The entry of this Consent Judgment constitutes a dismissal with prejudice of the Action.

## **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 be 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 Except as otherwise explicitly provided for 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.

8.6 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.

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

8.8 Nothing in this Consent Judgment shall preclude a right of action by any Person not a Party hereto.

8.9 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 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 Defendants. 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 10 to support a defense of res judicata, collateral estoppel, release or other theory of claim preclusion, issue preclusion or similar defense.

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.

8.11 Defendant KriECK agrees that, in the event of a personal bankruptcy, he will not object to Plaintiffs' petition to have the KriECK Settlement Payment and Judgment, referenced in Section 6 deemed non-dischargeable and agrees that any remaining balance shall be treated and paid in full as a priority claim through Defendant KriECK's bankruptcy plan.

8.12 The Defendants hereby acknowledge and agree that under no circumstances will Defendants petition for modification or review of the terms set forth within this Consent Judgment by any court, including the United States Bankruptcy Court, and Defendants hereby agree to be bound by this limitation in consideration of settlement.

## **9. REPRESENTATIONS AND WARRANTIES**

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

9.2 Defendant KriECK Represents and warrants that Global Travel is no longer operating.

9.3 Defendants Represent and warrant that there are no funds in the Security Fund established pursuant to the Escrow Agreement and Disbursement Instructions entered into on June 17, 2010 between Defendants and First American Title Insurance Company.

## **10. RELEASE**

10.1 In consideration of the injunctive relief, payments, undertakings, mutual promises and obligations provided for in this Consent Judgment and conditioned on entry of the Judgment referenced in Section 6, Plaintiffs hereby agree to release Defendants 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 Defendants for violations of the

CFA and the Advertising Regulations as alleged in the Action, as well as the matters specifically addressed in the Consent Judgment (“Released Claims”).

10.2 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 Defendants from raising the defense of set-off against a Consumer who has received restitution; (b) actions to enforce this Consent Judgment; (c) any claims against Defendants by any other agency or subdivision of the State; and (d) any claims by the Attorney General and/or Division against any of the Third Party Defendants, Duvera and/or any Person other than the Defendants arising from violations of the CFA, Advertising Regulations and/or related Consumer protection statutes and regulations.

#### **11. FUTURE BUSINESSES OWNED AND/OR OPERATED BY KRIECK**

11.1 For a period of five (5) years from the Effective Date, Defendant KriECK shall notify Plaintiffs, in writing, of his plans to: (a) open, close or relocate any retail office and/or business locations owned, operated and/or managed by Defendant KriECK in New Jersey; and/or (b) Advertise, offer for Sale and/or sell Merchandise to Consumers in New Jersey, along with a description of the Merchandise. Defendant KriECK shall provide such notification at least thirty (30) days prior to the effective date of any event noted above.

11.2 As soon as practical, but not later than thirty (30) days prior to Defendant KriECK: (a) opening and/or operating any business or other entity in New Jersey as an owner or executive officer; (b) Advertising, offering for Sale and/or selling Merchandise to Consumers in New Jersey, Defendant KriECK shall post a bond in favor of Plaintiffs in the amount of Two Hundred Fifty Thousand and 00/100 Dollars (\$250,000.00) or ten percent (10%) of Defendant KriECK’s prior business year’s gross income, whichever is greater. Ten percent (10%) of the prior



business year's gross income shall only include income generated from a retail, office and/or business location in New Jersey and/or from Merchandise sold to Consumers in New Jersey ("New Jersey Gross Income"). The bond shall be posted to secure any payments to be made by Defendant KriECK including, but not limited to, recovery under the CFA and/or the Advertising Regulations. Defendant KriECK shall contemporaneously provide Plaintiffs with a copy of the standard terms and conditions of the bank or other financial institution issuing the bond.

11.3 Defendant KriECK shall maintain the bond described in Section 11.2 for a period of five (5) years from the Effective Date or until such time as: (a) Defendant KriECK no longer operates a business as an owner or executive officer in New Jersey and/or no longer Advertises, offers for Sale and/or sells Merchandise to Consumers in New Jersey; and (b) Defendant KriECK no longer holds any Consumer deposits from a business in New Jersey and/or no longer Advertises, offers for Sale and/or sells Merchandise to Consumers in New Jersey.

11.4 On January 1 of each year in which Defendant KriECK, as an owner or executive officer, operates a business that accepts deposits from Consumers: (a) in New Jersey; and/or (b) for Merchandise sold to Consumers in New Jersey, and is required to post a bond, Defendant KriECK shall forward to Plaintiffs: (i) a copy of the then current bond; (ii) a certification identifying any such business entity; (iii) a certification from a Certified Public Accountant of the New Jersey Gross Income of any such business entity; and (iv) the amount of the bond to be posted for that year.

11.5 Defendant KriECK shall provide Plaintiffs with written notice as soon as practical, but no later than thirty (30) days prior to the opening, closing or relocation of any business accepting Consumer deposits in which he is an owner or executive officer: (a) in New Jersey; and/or (b) Advertising, offering for Sale and/or selling Merchandise to Consumers in New

Jersey. Such notice shall include to the extent known by Defendant Kriek: (a) the type of entity; (b) a description of the business in which the entity is to be engaged; (c) name and new d/b/a name(s), if any; (d) address; (e) the owners, officers, directors and shareholders with a minimum five percent (5%) ownership interest in the entity and (f) a copy of the bond as described in Section 11.2.

## **12. FORBEARANCE ON EXECUTION AND DEFAULT**

12.1 Defendants agree to pay all reasonable attorneys' fees and costs including, but not limited to Court costs, associated with any successful collection or enforcement efforts by the Plaintiffs pursuant to this Consent Judgment.

12.2 On or before the Effective Date and continuing until their obligations under this Consent Judgment are completed, Defendants shall provide the Plaintiffs with a writing containing their current addresses, telephone numbers and facsimile numbers for service of any document arising out of their default in compliance. Within five (5) days of relocating to a new address or obtaining new telephone or facsimile numbers. Defendants shall provide such information, in writing, to the Division. In the event of Defendants' default under Sections 5 and/or 6 of this Consent Judgment, service upon Defendants shall be effective upon mailing a notice via First Class Mail to their most current addresses and sending the same notice by facsimile transmission to the facsimile numbers they provided to Plaintiffs. Alternatively, Plaintiffs may effect service in the manner provided under Section 15.1. If Defendants do not respond to the notice of default within thirty (30) days of the date of such notice, Plaintiffs may move before the Court upon notice to the Defendants for relief pursuant to R. 1:10-3 or other adverse ruling against Defendants and Defendants shall have the right to oppose any such application.

### **13. PENALTIES FOR FAILURE TO COMPLY**

13.1 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.

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

### **14. COMPLIANCE WITH ALL LAWS**

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

- (a) Relieving Defendants of their 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 Plaintiffs may otherwise have to obtain information, documents or testimony from Defendants 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 Defendants may otherwise have pursuant to any State or Federal law, regulation or rule, to oppose any process employed by Plaintiffs to obtain such information, documents or testimony.

### **15. NOTICES UNDER THIS CONSENT JUDGMENT**

15.1 Except as otherwise provided herein, any notices or other documents required to be sent to the Parties pursuant to this Consent Judgment shall be sent by the 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:

Cathleen O'Donnell, Deputy Attorneys General  
Consumer Fraud Prosecution Section  
State of New Jersey  
Office of the Attorney General  
Department of Law and Public Safety  
Division of Law  
124 Halsey Street - 5<sup>th</sup> Floor  
P.O. Box 45029  
Newark, New Jersey 07101

For the Defendants:

Jason A. Kriech  
525 Hopkins Road  
Haddonfield, New Jersey 08033

IT IS ON THE 14 DAY OF September 2012 SO ORDERED,  
ADJUDGED AND DECREED.

  
\_\_\_\_\_  
HON. ROBERT P. CONTILLO, P.J.Ch.

**ORDERED THAT A COPY OF THIS ORDER  
IS TO BE SERVED UPON ALL PARTIES  
WITHIN SEVEN (7) DAYS OF THE DATE  
HEREOF.**