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Division of Law
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P.O. Box 45029
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Attorneys for Plaintiffs

FILED

MAR 27 2012

Richard S. Hoffman, J.S.C.

By: Lorraine K. Rak
Deputy Attorney General
Chief, Consumer Fraud Prosecution

SUPERIOR COURT OF NEW JERSEY
LAW DIVISION,
GLOUCESTER COUNTY
DOCKET NO. L-485-08

JEFFREY S. CHIESA, Attorney General of the
State of New Jersey, and SHARON M. JOYCE,
Acting Director of the New Jersey Division of
Consumer Affairs,

Plaintiffs,

v.

SAMUEL E. GOODWIN, III, JANE AND
JOHN DOES 1-10, individually and as owners,
officers, directors, shareholders, founders,
managers, agents, servants, employees,
representatives and/or independent contractors of
SAMUEL E. GOODWIN, III, and XYZ
CORPORATIONS 1-10,

Defendants.

Civil Action

FINAL CONSENT JUDGMENT

WHEREAS The parties to this Final Consent Judgment (“Consent Judgment”) are
Jeffrey S. Chiesa, Attorney General of the State of New Jersey, and Sharon M. Joyce, Acting

Director of the New Jersey Division of Consumer Affairs (collectively, "New Jersey Attorney General's Office"),¹ and Samuel E. Goodwin, III ("Goodwin") (collectively, "Parties");

WHEREAS on August 14, 2007, the New Jersey Attorney General's Office commenced this Action alleging that Goodwin violated the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq. ("CFA"), through his solicitation of Consumers in New Jersey to submit applications for the release of Surplus Funds;

WHEREAS Goodwin denied all material allegations asserted by the New Jersey Attorney General's Office in the Action;

WHEREAS by a Final Judgment and Order, dated and filed September 27, 2010 ("9/27/10 Final Judgment and Order"), the Honorable Anne McDonnell, J.S.C. granted in part and denied in part the New Jersey Attorney General's Office's Motion for Summary Judgment, finding that Goodwin violated the CFA by misrepresenting to Consumers that their Surplus Funds could be lost to the State if immediate action were not taken;

WHEREAS by a Final Judgment and Order, dated and filed June 30, 2011 ("6/30/11 Final Judgment and Order"), the Honorable Richard S. Hoffman, J.S.C. granted the New Jersey Attorney General's Office's Renewed Motion for Summary Judgment in its entirety, among other things, finding that Goodwin's recovery of amounts ranging from \$5,400 to \$56,540 as a result of arranging for the filing of Surplus Funds applications comprises an unconscionable commercial practice in violation of the CFA, providing for a permanent injunction as well as awarding

¹ This action was commenced on behalf of Anne Milgram, former Attorney General of the State of New Jersey ("Attorney General"), and Stephen B. Nolan, former Acting 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 Attorney General and Acting Director.

Consumer restitution, civil penalties and reimbursement of attorneys' fees and investigative costs;

WHEREAS by Notice of Appeal, dated and filed August 15, 2011, Goodwin appealed from the 9/27/10 Final Judgment and Order and the 6/30/11 Final Judgment and Order to the Superior Court of New Jersey, Appellate Division ("Appellate Division"), and the appeal was assigned Docket No. A-6039-10T1 ("Appeal");

WHEREAS the Parties have not yet filed briefs in the Appeal; and

WHEREAS the Parties desire to resolve the Appeal to avoid the costs, expenses, distractions, risks and delays associated therewith and have reached an amicable agreement resolving the issues in controversy and concluding this matter without the need for further action.

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 purpose of enabling the Parties to apply to the 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, Law Division, Gloucester 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. NO ADMISSION OF LIABILITY

4.1 The Parties enter into this Consent Judgment to settle disputed claims and to avoid the cost, expense, distraction, uncertainty, delay and inconvenience that would be associated with the continuation of the Appeal. Neither the fact of, nor any provision contained in this Consent Judgment nor any action taken thereunder shall constitute, or be construed as: (a) an admission by Goodwin that any of his acts or practices described in or prohibited by this Consent Judgment are unfair or deceptive or violate the CFA; (b) a concession by Goodwin as to the validity of the Action or the Appeal; and/or (c) an approval, sanction or authorization by the New Jersey Attorney General’s Office or any other governmental unit of the State of any act or practice of Goodwin. Neither the existence of, nor the terms of this Consent Judgment shall 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; and/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.

5. DEFINITIONS

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

5.1 “Action” shall refer to the matter titled Jeffrey S. Chiesa, Acting Attorney General of the State of New Jersey, and Thomas R. Calcagni, Director of the New Jersey Division of Consumer Affairs v. Samuel E. Goodwin, III, Superior Court of New Jersey, Law Division, Gloucester County, Docket No. L-485-08, and all pleadings and proceedings related thereto, including the Complaint, filed August 14, 2007.

5.2 “Advertisement” shall be defined in accordance with N.J.S.A. 56:8-1(a). This definition applies to other forms of the word “Advertisement” including, without limitation, “Advertising.”

5.3 “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.

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

5.5 “Division” or “Division of Consumer Affairs” shall refer to the New Jersey Division of Consumer Affairs.

5.6 “New Jersey” and “State” shall refer to the State of New Jersey.

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

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

5.9 “Surplus Funds” shall refer to moneys arising from the foreclosure sale of property, after payment of any moneys ordered to be paid by the court, as provided by N.J.S.A. 2A:50-37.

6. INJUNCTIVE RELIEF AND BUSINESS PRACTICES

6.1 Goodwin shall not engage in any unfair or deceptive acts or practices in the conduct of any 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.

6.2 Goodwin shall be permanently enjoined from conducting any investigation and/or research to discern whether a Consumer is potentially entitled to the recovery of Surplus Funds.

6.3 Goodwin shall be permanently enjoined from Advertising and otherwise soliciting Consumers to submit applications for the release of Surplus Funds on their behalf.

6.4 Goodwin shall be permanently enjoined from entering into any agreements with Consumers, whether written or oral, whereby Consumers retain Goodwin to arrange for the preparation of an application for the release of Surplus Funds.

6.5 Goodwin shall be permanently enjoined from requiring Consumers to execute any documents including, but not limited to, a Power of Attorney, Attorney Authorization, Contract to Assign Foreclosure Surplus and Assignment of Foreclosure Surplus and Limited Power of Attorney, in connection with any application for release of Surplus Funds.

6.6 Goodwin shall be permanently enjoined from retaining any attorney to file any application for the release of Surplus Funds on behalf of Consumers.

6.7 Goodwin shall be permanently enjoined from recovering any portion of Surplus Funds resulting from an application for release of Surplus Funds made on behalf of any Consumer.

6.8 Goodwin shall be permanently enjoined from assisting, directing and/or facilitating any Person including, but not limited to Samuel E. Goodwin IV, in the Advertisement, solicitation and/or Sale to Consumers of any services concerning an application for release of Surplus Funds.

6.9 Goodwin shall not receive any monetary payment which is derived from any application for release of Surplus Funds made on behalf of any Consumer, whether or not made at Goodwin's direction.

7. SETTLEMENT PAYMENT

7.1 Within three (3) business days after the Effective Date, Goodwin shall pay the amount of Six Hundred Seventy-Five Thousand and 00/100 Dollars (\$675,000.00) to the New Jersey Attorney General's Office ("Settlement Payment").

7.2 The Settlement Payment comprises Two Hundred Twenty-Five Thousand and 00/100 Dollars (\$225,000.00) in civil penalties, pursuant to N.J.S.A. 56:8-13, Three Hundred Twenty-Nine Thousand One Hundred Ninety-Eight and 08/100 Dollars (\$329,198.08) in Consumer restitution, pursuant to N.J.S.A. 56:8-8, and One Hundred Ten Thousand One Hundred Twenty-Two and 99/100 Dollars (\$110,122.99) in reimbursement of attorneys' fees and Ten Thousand Six Hundred Seventy-Eight and 93/100 Dollars (\$10,678.93) in reimbursement of investigative costs, pursuant to N.J.S.A. 56:8-11 and N.J.S.A. 56:8-19.

7.3 The Settlement Payment shall be made by a check issued by an insurance company and payable to "New Jersey Division of Consumer Affairs" and shall be forwarded to the undersigned:

Lorraine K. Rak, Deputy Attorney General
Chief, 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 - 5th Floor
P.O. Box 45029
Newark, New Jersey 07101

7.4 Upon making the Settlement Payment in the manner described in Section 7.3, Goodwin 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 New Jersey Attorney General's Office pursuant to the terms herein.

7.5 The portion of the Settlement Payment representing Consumer restitution shall be used for equitable relief including, but not limited to, Consumer redress and any attendant expenses for the administration of any redress fund. If the New Jersey Attorney General's Office determines, in its sole discretion, that redress to Consumers is wholly or partially impracticable, any funds not so used shall be retained by the Division in lieu of redress. Goodwin shall have no right to contest the manner of distribution chosen by the New Jersey Attorney General's Office.

8. WITHDRAWAL OF APPEAL

8.1 Goodwin has delivered a letter to the Appellate Division advising that the Appeal has been resolved by settlement. The Parties shall execute and file such other documents, if any, as may be necessary to effectuate the withdrawal of the Appeal.

9. GENERAL PROVISIONS

9.1 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.

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

9.3 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.

9.4 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 New Jersey Attorney General's Office and Goodwin.

9.5 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.

9.6 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.

9.7 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.

9.8 Nothing contained in this Consent Judgment shall be construed to limit or otherwise affect the rights of any Persons who are not Parties to this Consent Judgment with respect to any of the matters contained herein.

9.9 The Parties represent that an authorized representative of each has signed this Consent Judgment with full knowledge, understanding and acceptance of its terms and that this Person has done so with authority to act for and legally bind the respective Party.

9.10 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.

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 Goodwin making the Settlement Payment in the manner specified in Section 7, the New Jersey Attorney General's Office hereby agrees to release from any and all civil claims or Consumer related administrative claims, to the extent permitted by State law, which the Attorney General's Office could have brought prior to the Effective Date against Goodwin for violations of the CFA 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 Goodwin 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 Goodwin by any

other agency or subdivision of the State; and/or (d) any claims by Goodwin against any other Persons other than the Attorney General and/or Division.

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.

12. COMPLIANCE WITH ALL LAWS

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

- (a) Relieving Goodwin of his 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 New Jersey Attorney General's Office may otherwise have to obtain information, documents or testimony from Goodwin 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 Goodwin may otherwise have pursuant to any State or Federal law, regulation or rule, to oppose any process employed by the New Jersey Attorney General's Office 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 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 New Jersey Attorney General's Office:

Lorraine K. Rak, Deputy Attorney General
Chief, 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 - 5th Floor
P.O. Box 45029
Newark, New Jersey 07101

For Goodwin:

Steven J. Tegrar, Esq.
Law Offices of Joseph Carolan
4 Century Drive – Suite 203
Parsippany, New Jersey 07054

Mark S. Guralnick, Esq.
Law Offices of Mark S. Guralnick
4 Greentree Center – Suite 303
13000 Lincoln Drive West
Marlton, New Jersey 08053

IT IS ON THE 27th DAY OF March 2012 SO ORDERED,
ADJUDGED AND DECREED.

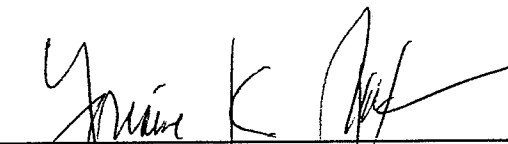


HON. RICHARD S. HOFFMAN, J.S.C.

JOINTLY APPROVED AND
SUBMITTED FOR ENTRY:

FOR THE NEW JERSEY ATTORNEY GENERAL'S OFFICE:

JEFFREY S. CHIESA
ATTORNEY GENERAL OF NEW JERSEY

By:  _____

Dated: March 26, 2012

Lorraine K. Rak
Deputy Attorney General
Chief, Consumer Fraud Prosecution Section

124 Halsey Street - 5th Floor
P.O. Box 45029
Newark, New Jersey 07101
Telephone: (973) 877-1280

FOR GOODWIN:


LAW OFFICES OF JOSEPH CAROLAN

By:  _____

Dated: March 23, 2012

Steven J. Tegar, Esq.
4 Century Drive - Suite 203
Parsippany, New Jersey 07054
Telephone: (973) 540-3619

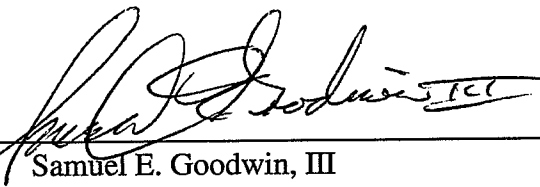
LAW OFFICES OF MARK S. GURALNICK

By:  _____

Mark S. Guralnick, Esq.
4 Greentree Center – Suite 303
13000 Lincoln Drive West
Marlton, New Jersey 08053
Telephone: (856) 983-9900

Dated: March 19, 2012

SAMUEL E. GOODWIN, III

By:  _____
Samuel E. Goodwin, III

Dated: 3/19/12, 2012