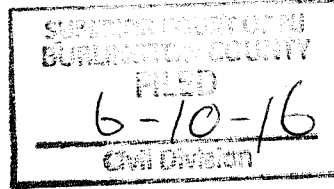


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SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION, BURLINGTON
COUNTY
DOCKET NO. BUR-C- 60-16

ROBERT LOUGY, Acting Attorney General of the
State of New Jersey, and STEVE C. LEE, Acting
Director of the New Jersey Division of Consumer
Affairs,

Plaintiffs,

v.

DARUWE CORP. D/B/A MAJESTIC HOME
REMODELING; WISAM EMACHAH; JANE AND
JOHN DOES 1-20, individually and as owners,
officers, directors, shareholders, founders, members,
managers, employees, servants, agents, representatives
and/or independent contractors of DARUWE CORP.
D/B/A MAJESTIC HOME REMODELING; and
XYZ CORPORATIONS 1-20,

Defendants.

Civil Action

COMPLAINT

Plaintiffs Robert Lougy, Acting Attorney General of the State of New Jersey ("Attorney
General"), with offices located at 124 Halsey Street, Fifth Floor, Newark, New Jersey, and Steve C.

Lee, Acting Director of the New Jersey Division of Consumer Affairs (“Director”), with offices located at 124 Halsey Street, Seventh Floor, Newark, New Jersey, by way of Complaint state:

PRELIMINARY STATEMENT

1. Home improvements are a necessary and often, costly, expenditure for consumers, who typically lack the expertise and equipment to perform such work. Among the most significant repairs are roofs, siding and windows. Particularly with regard to roofs, consumers are reliant upon contractors to properly identify the work to be performed, as well as to ensure that the work is performed in a proper manner with the proper materials. The failure to do so may very well result in damage to a consumer’s home and, as such, require the expenditure of additional monies to remedy any substandard work.

2. At all relevant times, defendants Daruwe Corp. d/b/a Majestic Home Remodeling and Wisam Emachah (collectively, “Defendants”) were engaged in the advertisement, offer for sale, sale and performance of various home improvements, particularly roofing, remodeling bathrooms, and installing doors, windows and/or siding, to consumers in the State of New Jersey (“State” or “New Jersey”) and elsewhere.

3. Consumer complaints received by the New Jersey Division of Consumer Affairs (“Division”) regarding Defendants’ home improvement work have revealed multiple violations of the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq. (“CFA”), the Contractors’ Registration Act, N.J.S.A. 56:8-136 et seq., and the regulations promulgated thereunder, specifically the Regulations Governing Contractor Registration, N.J.A.C. 13:45A-17.1 et seq. (“Contractor Registration Regulations”), and the Regulations Governing Home Improvement Practices, N.J.A.C. 13:45A-16.1 et seq. (“Home Improvement Regulations”). Among other things, these alleged violations arise from Defendants’ failure to: (a) include required information in home improvement

contracts (e.g., the toll-free telephone number provided by the Director of the Division for consumers to make inquiries concerning home improvement contractors and the terms and conditions affecting price, including the hourly rate for labor); (b) perform the contracted for home improvement work after receiving consumer payments; and (c) make the necessary repairs to correct substandard home improvement work. The Attorney General and Director commence this action to halt Defendants' deceptive business practices, and to obtain consumer restitution and other monetary relief.

PARTIES AND JURISDICTION

4. The Attorney General is charged with the responsibility of enforcing the CFA, the Contractors' Registration Act, and the regulations promulgated thereunder, specifically the Contractor Registration Regulations and the Home Improvement Regulations. The Director is charged with the responsibility of administering the CFA, the Contractors' Registration Act, the Contractor Registration Regulations and the Home Improvement Regulations on behalf of the Attorney General.

5. By this action, the Attorney General and Director (collectively, "Plaintiffs") seek injunctive and other relief for violations of the CFA, the Contractors' Registration Act, the Contractor Registration Regulations, and the Home Improvement Regulations. 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.

6. Venue is proper in Burlington County, pursuant to R. 4:3-2, because it is a county in which the Defendants have maintained a business address and otherwise conducted business.

7. On March 16, 2012, Daruwe Corp. d/b/a Majestic Home Remodeling ("Majestic Home Remodeling") was established as a Domestic For-Profit Corporation in the State. At all

relevant times, Majestic Home Remodeling has maintained a principal business and mailing address of 150 New Road, Marlton, New Jersey 08053 (“150 New Road, Marlton”). At varying times, Majestic also maintained business addresses of 199 Edgewood Avenue, Suite A, West Berlin, New Jersey 08091 and 575 Route 73 North, Suite C-3, West Berlin, New Jersey 08091.

8. Majestic Home Remodeling’s registered agent in the State is Wisam Emachah (“Emachah”), with a mailing address of 150 New Road, Marlton.

9. At all relevant times, Emachah has been the sole owner, President, officer, manager, director, representative and/or agent of Majestic Home Remodeling and has controlled, directed and participated in the management and operation of Majestic Home Remodeling.

10. John and Jane Does 1 through 20 are fictitious individuals meant to represent the owners, officers, directors, shareholders, founders, members, managers, agents, servants, employees and/or representatives of Majestic Home Remodeling who have been involved in the conduct that gives rise to this Complaint, but are heretofore unknown to Plaintiffs. As these defendants are identified, Plaintiffs shall amend the Complaint to include them.

11. XYZ Corporations 1 through 20 are fictitious corporations meant to represent any additional business entities who have been involved in the conduct that gives rise to the Complaint, but are heretofore unknown to Plaintiffs. As these defendants are identified, Plaintiffs shall amend the Complaint to include them.

GENERAL ALLEGATIONS COMMON TO ALL COUNTS

A. Defendants’ Business Practices Generally:

12. Since at least March 2012, Defendants have been engaged in the advertisement, offer for sale, sale and performance of home improvements in the State and elsewhere, including, but not limited to, roofing, remodeling bathrooms, and installing doors, windows and/or siding.

13. At least up to February 21, 2015, Defendants advertised their home improvement work through an internet website, namely www.majestichomeremodeling.com ("Majestic Home Remodeling Website"). The Majestic Home Remodeling Website is not currently active.

14. At all relevant times, Defendants have also advertised and/or offered for sale their home improvement work through door to door solicitations, direct mailings, telephone solicitations and, on at least one occasion, a home improvement exposition.

B. Home Improvement Contractor Registration:

15. On March 26, 2012, Majestic Home Remodeling submitted to the Division a Home Improvement Contractor Application for Initial Registration ("HIC Registration Application") for registration as a home improvement contractor ("HIC") in the State.

16. In the HIC Registration Application, Emachah identified himself as the sole owner of Majestic Home Remodeling, with control of 100% of the corporation.

17. On or about April 13, 2012, the Division registered Majestic Home Remodeling as an HIC and issued it registration number 13VH06751200.

18. Majestic Home Remodeling renewed its home improvement contractor registration on December 14, 2012 and December 20, 2013.

19. Majestic Home Remodeling's HIC registration with the Division expired on March 31, 2015 and has not been renewed.

20. Majestic Home Remodeling was registered with the Pennsylvania Attorney General's Office as a home improvement contractor from 2012 to 2015.

C. Defendants' Home Improvement Contracts:

21. In connection with their sale of home improvements, Defendants have provided consumers with varying forms of home improvement contracts, dependent upon the work to be performed (e.g. roofing, installation of windows and doors) (collectively, "Majestic Home Remodeling Contract").

22. At varying times, the Majestic Home Remodeling Contract did not include: (a) the toll-free telephone number provided by the Director of the Division for consumers to make inquiries concerning home improvement contractors; and (b) the terms and conditions affecting price, including the hourly rate for labor.

23. Upon information and belief, Defendants provided consumers with a single page "Notice of Cancellation," along with the Majestic Home Remodeling Contract.

24. Defendants' "Notice of Cancellation" states that "[y]ou may cancel this transaction, without any penalty or obligation, within three business days from the [date of transaction]."

25. Defendants' "Notice of Cancellation" states that "[i]f you cancel, any payments made by you under the contract or sale . . . will be returned within thirty business days following receipt by the seller of your cancellation notice . . ."

26. Defendants' "Notice of Cancellation" also states that "[t]o cancel this transaction please call 866-466-6919 and speak to our cancellation department . . . You must also mail or deliver a signed and dated copy of this cancellation notice to [Defendants] . . ."

D. Defendants' Business Practices Generally:

27. Upon information and belief, Emachah made sales presentations to consumers, for purposes of them hiring Defendants to perform home improvement work.

28. Upon information and belief, during sales presentations, Emachah negotiated with consumers as to the amount of down payments and/or completion dates for the home improvement work.

29. Upon information and belief, Defendants misrepresented to a consumer that the roof of his home would not last another winter, for the purpose of convincing him to enter into a Majestic Home Remodeling Contract for replacement of the roof.

30. Upon information and belief, Defendants misrepresented to a consumer that the black streaks on her roof were black mold, for the purpose of convincing her to enter into a Majestic Home Remodeling Contract for replacement of the roof.

31. At varying times, Defendants failed to provide consumers with a Majestic Home Remodeling Contract or provided a Majestic Home Remodeling Contract only after home improvement work had commenced.

32. At varying times, Defendants failed to begin and/or complete the home improvement work on the agreed upon date or time period which was represented orally or in the Majestic Home Remodeling Contract.

33. At varying times, Defendants failed to provide consumers with a written copy of the warranty offered on the materials installed (e.g. 50 year warranty for windows).

34. At varying times, Defendants failed to provide a certificate of liability insurance to New Jersey consumers.

35. At varying times, Defendants accepted consumer payments and commenced home improvement work only to abandon the work and not return to the consumers' homes for weeks, months or at all.

36. At varying times, Defendants failed to provide timely written notice to the consumer for any delay in the performance of home improvement work as well as when the work would commence or be completed.

37. At varying times, Defendants failed to respond to consumers' calls, e-mails and/or texts inquiring into when Defendants would begin home improvement work, or continue home improvement work that had been commenced, but then had been abandoned.

38. At varying times, Defendants repeatedly rescheduled dates for the commencement of home improvement work, but then failed to commence the work.

39. At varying times, Defendants required consumers to make significant initial payments, then failed to perform the contracted-for home improvements.

40. At varying times, Defendants performed home improvements in a substandard manner and failed to make the necessary corrective repairs including, but not limited to: (a) installing a ceiling that leaked; (b) failing to install flashing on a chimney; and (c) installing roof tiles that did not overlap, causing the roof to leak.

41. At varying times, consumers attempted to contact Defendants regarding, among other things, substandard home improvement work, and Defendants failed to return the consumers' calls.

42. Upon information and belief, Defendants represented that they would return to consumers' homes to perform corrective repairs, and then failed to do so.

43. At varying times, Defendants caused damage to a consumer's home while performing home improvements and then failed to fix, clean, or compensate the consumer for the damage (e.g., causing damage to a chimney; cutting porch rails to accommodate siding; creating a two (2) foot hole in a consumer's driveway).

44. At varying times, Defendants installed merchandise inferior to that contracted and paid for by consumers (e.g. windows with lower insulation values than the contracted and paid for windows).

45. At varying times, Defendants represented that home improvement work would begin once materials had been received when, in fact, Defendants had failed to order the materials.

46. At varying times, Defendants represented that permits for home improvement work had been applied for, when such was not the case.

47. At times, Defendants failed to obtain permits for home improvement work even after consumers paid Defendants to obtain the permits.

48. At varying times, Defendants represented that consumers who referred other consumers to Defendants would receive \$250.00, but then failed to make such payment to consumers who referred business to Defendants.

49. At varying times, Defendants represented that their home improvements were backed by a warranty, then failed to honor the warranty (e.g. failing to repair leaking windows backed by 50 year warranty).

50. Upon information and belief, on at least one (1) occasion, Defendants charged to a credit card an amount in excess of the amount authorized by the consumer.

51. Upon information and belief, on at least one (1) occasion, Defendants placed an unauthorized charge on a consumer's credit card.

52. Upon information and belief, on at least one (1) occasion, Defendants represented to a consumer that her credit card would not be charged until a later date, but then charged the credit card immediately.

53. At varying times, Defendants failed to cancel the Majestic Home Remodeling Contract after consumers provided the requisite Notice of Cancellation.

54. At varying times, Defendants made it difficult for consumers to cancel the Majestic Home Remodeling Contract within the three (3) day cancellation period (e.g. including a telephone number for Defendants' "Cancellation Department" in the Notice of Cancellation but making it impossible for consumers to speak with someone when they called the number).

55. At varying times, Defendants failed to return a deposit to a consumer who cancelled the Majestic Home Remodeling Contract within the three (3) day cancellation period.

56. Upon information and belief, Defendants represented to consumers who returned a Notice of Cancellation that a refund of payments made under the Majestic Home Remodeling Contract would be forthcoming, but then failed to provide the refund.

57. On one (1) occasion, Defendants failed to perform any home improvement work, agreed with the consumer to cancel the Majestic Home Remodeling Contract and return the deposit, but then failed to return the deposit.

58. At varying times, Defendants refused to issue a refund when requested by consumers after Defendants failed to perform the contracted-for home improvement work.

59. Upon information and belief, Defendants owe consumers amounts ranging from \$400.00 (i.e. down payment on the installation of windows), to \$30,500.00 (i.e. payment for a home addition) due to their failure to perform the contracted for home improvement work, in whole or in part.

COUNT I

**VIOLATION OF THE CFA BY DEFENDANTS
(UNCONSCIONABLE COMMERCIAL PRACTICES)**

60. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 59 above as if more fully set forth herein.

61. The CFA, N.J.S.A. 56:8-2, 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...

62. 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).

63. At all relevant times, Defendants have been engaged in the advertisement and sale of merchandise within the meaning of N.J.S.A. 56:8-1(c), including, but not limited to, roofing, remodeling bathrooms, and installing doors, windows and/or siding.

64. In the operation of their home improvement business, Defendants have engaged in the use of unconscionable commercial practices, false promises and/or misrepresentations.

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

- a. Failing to provide consumers with a Majestic Home Remodeling Contract or providing a Majestic Home Remodeling Contract only after commencement of the home improvement work;

- b. Failing to begin or complete home improvement work on the agreed upon date or time period which was represented orally or in the Majestic Home Remodeling Contract;
- c. Failing to provide timely written notice for any delay in the performance of the home improvement work, as well as when the work would commence or be completed;
- d. Accepting consumer payments and then commencing home improvement work, only to abandon the work and fail to return to the consumer's home for weeks, months or at all;
- e. Failing to respond to consumer's calls, e-mails and/or texts inquiring when Defendants would commence or continue the home improvement work;
- f. Repeatedly rescheduling dates for commencement of home improvement work, and then failing to commence the work;
- g. Requiring consumers to make significant initial payments, and then failing to perform the contracted-for home improvements;
- h. Performing home improvements in a substandard manner and then failing to make the necessary corrective repairs;
- i. Failing to return the calls of consumers who attempted to contact Defendants, among other things, to address substandard home improvement work;
- j. Causing damage to a consumer's home while performing home improvements and then failing to fix, clean, or compensate for the damage;
- k. Installing merchandise inferior to that contracted and paid for by consumers (e.g. windows with lower insulation than the contracted and paid for windows);
- l. Failing to obtain permits after consumers paid Defendants to obtain the permits;
- m. Taking deposits, failing to perform any home improvement work, and then refusing to issue refunds;
- n. Failing to provide the "lifetime guarantee" for home improvement work that was referenced in the Majestic Home Remodeling Contract;
- o. On at least one (1) occasion, charging to a credit card an amount in excess of the amount authorized by the consumer;

- p. On at least one (1) occasion, placing an unauthorized charge on a consumer's credit card;
- q. Refusing to issue a refund when so requested by consumers after Defendants failed to perform the contracted-for home improvement work;
- r. Failing to cancel the Majestic Home Remodeling Contract after consumers provided the requested Notice of Cancellation;
- s. Making it difficult for consumers to cancel the Majestic Home Remodeling Contract within the three (3) day cancellation period;
- t. Failing to return a deposit to a consumer who cancelled the Majestic Home Remodeling Contract within the three (3) day cancellation period; and
- u. On at least one (1) occasion, failing to complete any home improvement work, agreeing with the consumer to cancel the Majestic Home Remodeling Contract and return the deposit, but then failing to return the deposit.

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

COUNT II

VIOLATION OF THE CFA BY DEFENDANTS (FALSE PROMISES AND/OR MISREPRESENTATIONS)

67. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 66 above as if more fully set forth herein.

68. Defendants' conduct in violation of the CFA includes, but is not limited to, the following false promises and/or misrepresentations:

- a. Representing to consumers that home improvement work would begin or be completed on an agreed upon date or time period, when such was not the case;
- b. Misrepresenting the condition of the roof of a consumer's home for purposes of convincing the consumer to enter into a Majestic Home Remodeling Contract for replacement of the roof;
- c. Misrepresenting to a consumer that the black streaks on her roof were black mold, to induce the consumer to contract for replacement of her roof;

- d. Representing that home improvement work would begin once materials had been received, when, in fact, Defendants had failed to order materials;
- e. Representing that permits for home improvement work had been applied for, when such was not the case;
- f. Representing that consumers who made referrals of other consumers would receive \$250.00, then failing to make such payment to consumers who referred business to Defendants;
- g. Representing that home improvements were backed by a lifetime guarantee, when such was not the case;
- h. Representing to a consumer that her credit card would not be charged until a later date, then charging the credit card immediately;
- i. Representing that they would return to consumers' homes to perform corrective repairs, when such was not the case; and
- j. Representing that a refund of any payments made under the Majestic Home Remodeling Contract would be provided when a consumer forwarded the "Notice of Cancellation" within three (3) days, when such was not the case;

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

COUNT III

VIOLATION OF THE CONTRACTORS' REGISTRATION ACT BY DEFENDANTS

70. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 69 above as if set forth more fully herein.

71. The Contractors' Registration Act, among other things, governs the registration of home improvement contractors with the Division.

72. At all relevant times, Defendants have been "Contractor[s]" within the definition of the Contractors' Registration Act, N.J.S.A. 56:8-137.

73. At all relevant times, Defendants have offered to perform and performed "Home Improvement[s]" within the definition of the Contractors' Registration Act, N.J.S.A. 56:8-137.

74. At all relevant times, Defendants have entered into "Home Improvement Contract[s]" within the definition of the Contractors' Registration Act, N.J.S.A. 56:8-137.

75. The Contractors' Registration Act further provides that "[t]he Director shall provide a toll-free telephone number for consumers making inquiries regarding contractors." N.J.S.A. 56:8-149(b). At all relevant times, the Director established and has published a toll-free telephone number.

76. In this regard, the Contractors' Registration Act requires that:

b. Any invoice, contract or correspondence given by a registrant to a consumer shall prominently contain the toll-free telephone number provided pursuant to [N.J.S.A. 56:8-149] of this Act."

[N.J.S.A. 56:8-144(b)]

77. The Contractors' Registration Act includes a writing requirement for contracts priced in excess of \$500.00 and provides, in pertinent part:

a. On or after December 31, 2005, every home improvement contract for a purchase price in excess of \$500, and all changes in the terms and conditions of the contract, shall be in writing. The contract shall be signed by all parties thereto, and shall clearly and accurately set forth in legible form and in understandable language all terms and conditions of the contract, including but not limited to:

.....

(2) A copy of the certificate of commercial general liability insurance required of a contractor pursuant to section 7 [C. 56:8-142] of this act and the telephone number of the insurance company issuing the certificate; . . .

[N.J.S.A. 56:8-151(a)]

78. In addition, the Contractors' Registration Act requires that home improvement contractors include cancellation language as follows:

b. . . . The contract shall contain a conspicuous notice printed in at least 10-point bold-faced type as follows:

"NOTICE TO CONSUMER

YOU MAY CANCEL THIS CONTRACT AT ANY TIME BEFORE MIDNIGHT OF THE THIRD BUSINESS DAY AFTER RECEIVING A COPY OF THIS CONTRACT. IF YOU WISH TO CANCEL THIS CONTRACT, YOU MUST EITHER:

- 1. SEND A SIGNED AND DATED WRITTEN NOTICE OF CANCELLATION BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED; OR**
- 2. PERSONALLY DELIVER A SIGNED AND DATED WRITTEN NOTICE OF CANCELLATION TO:**

(Name of Contractor)

(Address of Contractor)

(Phone Number of Contractor)

If you cancel this contract within the three-day period, you are entitled to a full refund of your money. Refunds must be made within 30 days of the contractor's receipt of the cancellation notice."

[N.J.S.A. 56:8-151(b).]

79. Defendants have engaged in conduct in violation of the Contractors' Registration Act including, but not limited to, the following:

- a. Failing to include on invoices and Majestic Home Remodeling Contracts the toll-free telephone number provided by the Director for consumers to call with inquiries or complaints concerning home improvement contractors (N.J.S.A. 56:8-144(b));
- b. Failing to include with the Majestic Home Remodeling Contracts a copy of Defendants' certificate of commercial general liability insurance as well as the telephone number of the company issuing the certificate (N.J.S.A. 56:8-151(a)(2));
- c. Providing consumers with a "Notice of Cancellation" that included language contrary to the Notice to Consumer cancellation language (e.g. providing that

refund be made within thirty (30) business days rather than thirty (30) days) (N.J.S.A. 56:8-151(b)); and

d. Failing to include in the Majestic Home Remodeling Contract all of the terms and conditions affecting price (N.J.S.A. 56:8-151(b)).

80. Defendants' conduct constitutes multiple violations of the Contractors' Registration Act, N.J.S.A. 56:8-136 et seq.

COUNT IV

VIOLATION OF THE CONTRACTOR REGISTRATION REGULATIONS BY DEFENDANTS

81. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 80 above as if more fully set forth herein.

82. The Contractor Registration Regulations, N.J.A.C. 13:45A-17.1 et seq., among other things, set forth procedures for the registration of home improvement contractors with the Division.

83. At all relevant times, Defendants have been "Home Improvement Contractor[s]" and/or "Contractor[s]" within the definition of the Contractor Registration Regulations, N.J.A.C. 13:45A-17.2.

84. At all relevant times, Defendants have performed "Home Improvement[s]" within the definition of the Contractor Registration Regulations, N.J.A.C. 13:45A-17.2.

85. At all relevant times, Defendants have "advertise[d]" home improvements within the meaning of the Contractor Registration Regulations, N.J.A.C. 13:45A-17.2.

86. At all relevant times, Defendants have entered into "Home Improvement Contract[s]" within the definition of the Contractor Registration Regulations, N.J.A.C. 13:45A-17.2.

87. The Contractor Registration Regulations require that HICs prominently display certain information and provide, in pertinent part:

- (f) As of November 4, 2008, any invoice, contract or correspondence given by a registrant to a consumer shall prominently contain the toll-free telephone number provided by the Division pursuant to (b) of N.J.S.A. 56:8-149 and shall be displayed in all caps in at least 10-point bold-face type as follows: FOR INFORMATION ABOUT CONTRACTORS AND THE CONTRACTORS' REGISTRATION ACT, CONTACT THE NEW JERSEY DEPARTMENT OF LAW AND PUBLIC SAFETY, DIVISION OF CONSUMER AFFAIRS AT 1-888-656-6225.

[N.J.A.C. 13:45A-17.11(f)]

88. Additionally, the Contractor Registration Regulations provide that:

In addition to the requirements of a home improvement contract pursuant to N.J.A.C. 13:45A-16.2, every home improvement contract in which a person required to be registered as a home improvement contractor is a party shall comply with the provisions of N.J.S.A. 56:8-151.

[N.J.A.C. 13:45A-17.13.]

89. Defendants have engaged in conduct in violation of the Contractor Registration

Regulations including, but not limited to:

- a. Providing consumers with a "Notice of Cancellation" not in compliance with the "Notice to Consumer" required cancellation language (N.J.S.A. 56:8-151(b));
- b. Failing to include in the Majestic Home Remodeling Contract the informational statement and toll-free telephone number provided by the Director for consumers making inquiries regarding contractors (N.J.A.C. 13:45A-17.11(f)); and
- c. Failing to include in the Majestic Home Remodeling Contract all of the terms and conditions affecting price (N.J.S.A. 56:8-151(b)).

90. Defendants' conduct constitutes multiple violations of the Contractor Registration Regulations, N.J.A.C. 13:45A-17.1 et seq., each of which constitutes a per se violation of the CFA, N.J.S.A. 56:8-1 et seq.

COUNT V

**VIOLATION OF THE HOME IMPROVEMENT
PRACTICES REGULATIONS BY DEFENDANTS**

91. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 90 above as if more fully set forth herein.

92. The Home Improvement Regulations, N.J.A.C. 13:45A-16.1 et seq., among other things, prohibit certain acts and practices of a seller in connection with a sale, advertisement or performance of home improvement contracts.

93. Defendants are "Seller[s]" within the definition of N.J.A.C. 13:45A-16.1.

94. At all relevant times, Defendants entered into "Home Improvement Contract[s]" within the definition of N.J.A.C. 13:45A-16.1.

95. The Home Improvement Regulations prohibit certain practices with regard to the performance of home improvement contracts, as follows:

a. Without limiting any other practices which may be unlawful under the Consumer Fraud Act, N.J.S.A. 56:8-1 et seq., utilization by a seller of the following acts and practices involving the sale, attempted sale, advertisement or performance of home improvements shall be unlawful hereunder.

3. Bait selling:

iv. Substitute products or materials for those specified in the home improvement contract, or otherwise represented or sold for use in the making of home improvements by sample, illustration or model, without the knowledge or consent of the buyer.

7. Performance:

ii. Fail to begin or complete work on the date or within the time period specified in the home improvement contract, or as otherwise represented. . . .

....

- 9. Sales representations:
 - iii. Misrepresent that the customer's present equipment, material, product, home or a part thereof is dangerous or defective, or in need of repair or replacement.

....

- 11. Guarantees or warranties:
 - i. The seller shall furnish the buyer a written copy of all guarantees or warranties made with respect to labor services, products or materials furnished in connection with home improvements. Such guarantees or warranties shall be specific, clear and definite and shall include any exclusions or limitations as to their scope or duration. Copies of all guarantees or warranties shall be furnished to the buyer at the time the seller presents his bid as well as at the time of execution of the contract, except that separate guarantees or warranties of the manufacturer of products or materials may be furnished at the time such products or materials are installed.

- 12. Home improvement contract requirements-writing requirement: All home improvement contracts for a purchase price in excess of \$500.00, and all changes in the terms and conditions thereof shall be in writing.

....

- (iii) The total price or other consideration to be paid by the buyer, including all finance charges. If the contract is one for time and materials, the hourly rate for labor and all other terms and conditions of the contract affecting price shall be clearly stated;

[N.J.A.C. 13:45A-16.2(a)3(iv), (7)(ii), 9(iii), 11(i), (12)(iii).]

96. Defendants violated the Home Improvement Regulations by engaging in certain conduct including, but not limited to the following:

- a. Substituting products or materials for those specified in the home improvement contract without the knowledge or consent of the buyer (ex: installing windows with less insulation than those chosen by the consumer,

installing siding inferior to that selected by the consumer) (N.J.A.C. 13:45A-16.2(a)3(iv));

- b. Failing to begin or complete home improvement work on the date or within the time period represented orally or in the Majestic Home Remodeling Contract (N.J.A.C. 13:45A-16.2(a)(7)(ii));
- c. Misrepresenting that a consumer's home or a part thereof is dangerous or defective, or in need of repair or replacement (N.J.A.C. 13:45A-16.2(a)(9)(iii));
- d. Failing to provide consumers with a written copy of all guarantees made with respect to labor services, products or materials furnished in connection with the Majestic Home Remodeling Contract (N.J.A.C. 13:45A-16.2(a)(11)(i));
- e. Failing to provide a Majestic Home Remodeling Contract to a consumer (N.J.A.C. 13:45A-16.2(a)(12)); and
- f. Failing to include in the Majestic Home Remodeling Contract the cost of labor (N.J.A.C. 13:45A-16.2(a)(12)(iii));

97. Defendants' conduct constitutes multiple violations of the Home Improvement Regulations, N.J.A.C. 13:45A-16.1 et seq., each of which constitutes a per se violation of the CFA, N.J.S.A. 56:8-1 et seq.

COUNT VI

VIOLATIONS OF THE CFA, THE CONTRACTORS' REGISTRATION ACT, THE CONTRACTOR REGISTRATION REGULATIONS, AND/OR THE HOME IMPROVEMENT REGULATIONS BY EMACHAH

98. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 97 above as if more fully set forth herein.

99. At all relevant times, Emachah has been the sole owner, President, officer, manager, director, representative and/or agent of Majestic Home Remodeling, and has controlled, directed

and/or participated in the management and operation of that entity, including the conduct alleged in this Complaint.

100. The conduct of Emachah makes him personally liable for the violations of the CFA, the Contractors' Registration Act, the Contractor Registration Regulations, and/or the Home Improvement Regulations committed by Majestic Home Remodeling.

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., the Contractors' Registration Act, N.J.S.A. 56:8-136 et seq., the Contractor Registration Regulations, N.J.A.C. 13:45A-17.1 et seq., and the Home Improvement Regulations, N.J.A.C. 13:45A-16.1 et seq.;
- (b) Permanently enjoining Defendants and their owners, officers, directors, shareholders, founders, members, 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., the Contractors' Registration Act, N.J.S.A. 56:8-136 et seq., the Contractor Registration Regulations, N.J.A.C. 13:45A-17.1 et seq., and the Home Improvement Regulations, N.J.A.C. 13:45A-16.1 et seq., including, but not limited to, the acts and practices alleged in this Complaint, as authorized by the CFA, N.J.S.A. 56:8-8;
- (c) Permanently enjoining Defendants from owning, operating or otherwise managing any business or other entity in the State, whether registered with the Division or not, that advertises, offers for sale, sells and/or performs home improvements within the State;
- (d) Permanently enjoining Defendants from the advertisement, offer for sale, sale and performance of home improvements within the State;
- (e) Permanently revoking the HIC registration of Daruwe Corp. d/b/a Majestic Home Remodeling;
- (f) Directing the assessment of restitution amounts against Defendants, jointly and severally, to restore to any affected person, whether or not named in this 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 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; and
- (i) Granting such other relief as the interests of justice may require.

ROBERT LOUGY
ACTING ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiffs

By: Alina Wells
Alina Wells
Deputy Attorney General
Consumer Fraud Prosecution Section

Dated: June 8, 2016
Newark, New Jersey

RULE 4:5-1 CERTIFICATION

I certify, to the best of my information and belief, that the matter in this action involving the aforementioned violations of the CFA, N.J.S.A. 56:8-1 et seq., the Contractors' Registration Act, N.J.S.A. 56:8-136 et seq., the Contractor Registration Regulations, N.J.A.C. 13:45A-17.1 et seq., and the Home Improvement Regulations, N.J.A.C. 13:45A-16.1 et seq., is not the subject of any other action pending in any other court of this State. I further certify, to the best of my information and belief, that the matter in controversy in this action is not the subject of a pending arbitration proceeding in this State, nor is any other action or arbitration proceeding contemplated. I certify that there is no other party who should be joined in this action at this time.

ROBERT LOUGY
ACTING ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiffs

By: Alina Wells
Alina Wells
Deputy Attorney General
Consumer Fraud Prosecution Section

Dated: June 8, 2016
Newark, New Jersey

RULE 1:38-7(c) CERTIFICATION OF COMPLIANCE

I certify that confidential personal identifiers have been redacted from documents now submitted to the court, and will be redacted from all documents submitted in the future in accordance with Rule 1:38-7(b).

ROBERT LOUGY
ACTING ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiffs

By: Alina Wells
Alina Wells
Deputy Attorney General
Consumer Fraud Prosecution Section

Dated: June 8, 2016
Newark, New Jersey

DESIGNATION OF TRIAL COUNSEL

Pursuant to R. 4:25-4, Deputy Attorney General Alina Wells is hereby designated as trial counsel for the Plaintiffs in this action.

ROBERT LOUGY
ACTING ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiffs

By: Alina Wells
Alina Wells
Deputy Attorney General
Consumer Fraud Prosecution Section

Dated: June 8, 2016
Newark, New Jersey