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FILED

MAY 14 2010

GLENN BERMAN, JSC, Ch.

By: Alina Wells
Deputy Attorney General
(973) 648-7819

SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION,
MIDDLESEX COUNTY
DOCKET NO. C-013-09

PAULA T. DOW, Attorney General of the State
of New Jersey, and SHARON M. JOYCE,
Acting Director of the New Jersey Division of
Consumer Affairs,

Plaintiffs,

Civil Action

v.

FORDS NATIONAL AUTO MART, INC. d/b/a
SANSONE FORD LINCOLN MERCURY,
PALADIN CHEVROLET, INC. d/b/a
SANSONE CHEVROLET, SANSONE PLAZA
DODGE, INC. d/b/a SANSONE DODGE and
MOTORS MANAGEMENT CORP. d/b/a
SANSONE'S ROUTE 1 AUTO MALL, JANE
AND JOHN DOES 1-20, individually and as
owners, officers, directors, shareholders,
founders, managers, agents, servants, employees,
representatives and/or independent contractors of
FORDS NATIONAL AUTO MART, INC. d/b/a
SANSONE FORD LINCOLN MERCURY,
PALADIN CHEVROLET, INC. d/b/a
SANSONE CHEVROLET, SANSONE PLAZA
DODGE, INC. d/b/a SANSONE DODGE and
MOTORS MANAGEMENT CORP. d/b/a
SANSONE'S ROUTE 1 AUTO MALL, and
XYZ CORPORATIONS 1-20,
Defendants

FINAL CONSENT JUDGMENT

WHEREAS the parties to this Action and Final Consent Judgment (the "Parties") are plaintiffs Paula T. Dow, Attorney General of the State of New Jersey, and Sharon M. Joyce, Acting Director of the New Jersey Division of Consumer Affairs (collectively, "Plaintiffs"),¹ and defendants Fords National Auto Mart, Inc. d/b/a Sansone Ford Lincoln Mercury, Paladin Chevrolet, Inc. d/b/a Sansone Chevrolet ("Sansone Chevrolet"), Sansone Plaza Dodge, Inc. d/b/a Sansone Dodge ("Sansone Dodge"), and Motors Management Corp. d/b/a Sansone's Route 1 Auto Mall (collectively, "Defendants"). As evidenced by their signatures below, the 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

Plaintiffs commenced this action on January 16, 2009 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 Motor Vehicle Advertising Practices, N.J.A.C. 13:45A-26A.1 et seq. ("Motor Vehicle Advertising Regulations"), arising from their sale of used motor vehicles through their website at www.sansoneauto.com ("Sansone Website") as well as www.ebay.com ("Ebay") and www.autoshopper.com ("Autoshopper") (collectively, "Internet Advertisements"). Specifically, Plaintiffs alleged that Defendants' Internet Advertisements: failed to list prior use, as required by N.J.A.C. 13:45A-26A.5(b)(2); (b) failed to list prior use, as required by N.J.A.C.

¹ This action was commenced on behalf of former Attorney General Anne Milgram and David M. Szuchman, former Director of the New Jersey Division of Consumer Affairs ("Division"). In accordance with R. 4:34-4, the caption has been revised to reflect the current Attorney General and Acting Director of the Division.

13:45A-26A.7(a)(7); and/or (c) failed to include the pricing disclosure language required by N.J.A.C. 13:45A-26A.5(a)(2). In addition, Plaintiffs alleged that Sansone Chevrolet and Sansone Dodge violated a Consent Order which Sansone Chevrolet and Sansone Dodge entered into with the New Jersey Division of Consumer Affairs (“Division”) on April 6, 2004 and which concerned similar issues (“Consent Order”). Defendants deny the allegations.

IT IS HEREBY ORDERED, ADJUDGED AND AGREED AS FOLLOWS:

1. JURISDICTION

1.1 The Parties admit jurisdiction of this Court over the subject matter and over the Parties for the purpose of entering into this Consent Judgment. The Court retains jurisdiction for the purpose of enabling the Parties to apply to this Court at any time for such further orders and relief as may be necessary for the construction or enforcement 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, Middlesex 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 "2004 Consent Order" shall refer to the April 6, 2004 Consent Order between the State and Galleria Route One Corporation d/b/a Sansone's Route 1 Mazda, Route 1 Mazda Woodbridge, Route 1 GMC Trucks Woodbridge, Sansone Mazda-GMC, Sansone Auto Galleria, Sansone Plaza Dodge, Inc., Sansone Chevrolet, Sansone Nissan, Sansone Hyundai, Route One Toyota, Plaza Nissan Ford and Paul Sansone, Jr., President/Principal.

4.2 "Advertisement" shall be defined in accordance with N.J.S.A. 56:8-1(a). For purposes of the Motor Vehicle Advertising Regulations, "Advertisement" shall be defined in accordance with N.J.A.C. 13:45A-26A.3.

4.3 "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.

4.4 "Clear and Conspicuous" or "Clearly and Conspicuously" shall mean a statement that, regardless of the medium in which it is made, compared to the other information with which it is presented, and that is readily apparent and understandable and in language and terms used in accordance with their common or ordinary usage and meaning.

4.5 "Consumer" shall refer to any Person who is offered Merchandise for Sale.

4.6 "Merchandise" shall be defined in accordance with N.J.S.A. 56:8-1(d) and shall include, but not be limited to, Motor Vehicles.

4.7 "Misrepresent" shall mean to give a false or misleading representation of fact.

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

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

4.10 "Represent" shall mean to present, describe, state or set forth through statements, conduct, graphics, language and/or documents.

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

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

4.13 "Used Motor Vehicle" shall be defined in accordance with N.J.A.C. 13:45A-26F.2.

4.14 "Website" means the Sansone Website and any other websites maintained by or on behalf of Defendants, or which is used by Defendants to Advertise Motor Vehicles including, but not limited to, Ebay and Autosshopper.

5. INJUNCTIVE RELIEF AND BUSINESS PRACTICES

5.1 Defendants shall not engage in any 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 Motor Vehicle Advertising Regulations.

5.2 Defendants shall discern the prior use (i.e. rental) of a Motor Vehicle offered for Sale or lease. Defendants shall disclose such information to Consumers, prior to their purchase or lease of the Motor Vehicle.

5.3 Defendants shall discern whether a Motor Vehicle offered for Sale or lease has been involved in an accident or otherwise sustained damage. Defendants shall disclose such information to Consumers, prior to their purchase or lease of the Motor Vehicle.

5.4 If Defendants provide disclosure of prior use and/or prior damage to a Motor Vehicle via Carfax or similar vehicle history report, Defendants shall Clearly and Conspicuously

identify the link as Carfax (or similar vehicle history report), along with a designation of "Free Vehicle History Report" within the description of the Motor Vehicle.

5.5 In any Website through which Defendants Advertise, offer for Sale and/or sell Motor Vehicles, Defendants shall include the statement that "price(s) include(s) all costs to be paid by consumer, except for licensing costs, registration fees, and taxes."

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

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

5.8 In their Advertisement of a Motor Vehicle at an advertised price Defendants shall include the statement that "price(s) include(s) all costs to be paid by consumer, except for licensing costs, registration fees, and taxes," in accordance with N.J.A.C. 13:45A-26A.5(a)(2).

6. SETTLEMENT AMOUNT

6.1 Within sixty (60) days of the Effective Date, Defendants shall pay One Hundred Seventy Five Thousand and 00/100 (\$175,000.00) Dollars ("Settlement Payment"). the Settlement Payment to Plaintiffs. The Settlement Payment comprises Eighty-Three Thousand Two Hundred Thirty-Two and 38/100 Dollars (\$83,232.58) in civil penalties, pursuant to

N.J.S.A. 56:8-13, and Ninety-One Thousand Seven Hundred Sixty-Seven and 42/100 Dollars (\$91,767.42), as reimbursement for the Plaintiffs' attorneys' fees and investigative costs, pursuant to N.J.S.A. 56:8-11 and N.J.S.A. 56:8-19.

6.2 The Settlement Payment referenced in Section 6.1 shall be made by wire transfer or certified cashier's check made payable to "New Jersey Division of Consumer Affairs" and shall be forwarded to the undersigned:

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

6.3 Upon making the Settlement Payment referenced in Section 6.1, 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.

6.4 For a period of one (1) year from the Effective Date, an additional maximum sum of Two Hundred Thousand and 00/100 Dollars (\$200,000.00) in civil penalties, pursuant to N.J.S.A. 56:8-13, shall be suspended (the "Suspended Penalty").

6.5 The Suspended Penalty shall automatically be vacated at the end of the one (1) year period, provided:

- (a) Defendants comply in all material respects with the restraints and conditions set forth in this Consent Judgment; and
- (b) Defendants make the Settlement Payment in the manner required under Sections 6.1 and 6.2.

6.6 In the event Defendants materially fail to comply with Section 6.5, Plaintiffs shall provide Defendants with notice seeking payment of the entire Suspended Penalty of Two Hundred Thousand and 00/100 Dollars (\$200,000.00). In any such notice, however, Plaintiffs shall provide Defendants with the specific details of the Defendants' alleged noncompliance, as well as the supporting Consumer complaints and/or other documentation. Defendants shall be afforded a fifteen (15) day period from receipt of such notice within which to cure any such noncompliance. In the event of Defendants' failure to cure any such noncompliance, Plaintiffs may move on notice or Order to Show Cause to have a Judgment entered for the Suspended Penalty.. Defendants retain the right to seek appropriate discovery from the Court and Plaintiffs retain the right to oppose any such request. Defendants shall have the right to submit opposition to any motion or Order to Show Cause application filed by Plaintiffs and to contest same on any return date. As a result of such application, the Court may order Defendants' payment to Plaintiffs of the Suspended Penalty in an amount up to Two Hundred Thousand and 00/100 Dollars (\$200,000.00).

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 In no event shall Defendants avoid compliance with this Consent Judgment through transfer of any ownership interest in their business without due consideration. 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: (a) an approval, sanction or

authorization by the Attorney General, the Division or any other governmental unit of the State of any act or practice of Defendants; or (b) an admission by Defendants that any of their acts or practices described in or prohibited by this Consent Judgment are unfair or deceptive or violate any of the Consumer protection laws of the State. This Consent Judgment is not intended, and shall not be deemed, to constitute evidence or precedent of any kind except in: (a) any action or proceeding by one of the Parties to enforce, rescind or otherwise implement or affirm any or all of the terms of this Consent Judgment.

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 The 2004 Consent Order shall survive this Consent Judgment. To the extent that any term of the 2004 Consent Order is inconsistent with the terms of this Consent Judgment, the terms of this Consent Judgment shall control.

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.

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 Defendants making the payments referenced in Section 7, 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 brought or could have brought prior to the Effective Date against Defendants for violations of the CFA and the Motor Vehicle Advertising Regulations, as alleged in the Action, as well as the matters specifically addressed in the Consent Judgment (the "Released Claims").

10.2 Notwithstanding any term of this Consent Judgment, the following do not comprise Released Claims: (a) Private rights of action; (b) actions to enforce this Consent Judgment; and (c) any claims against Defendant by any other agency or subdivision of the State.

11. COMPLIANCE PROGRAM

11.1 Within thirty (30) days of the Effective Date, Defendants shall submit a copy of the Consent Judgment to each of its officers, directors and owners. Within forty-five (45) days of the Effective Date, Defendants shall provide Plaintiffs with an acknowledgment that the above-referenced Persons have been supplied with a copy of the Consent Judgment along with an alphabetical list of the names, titles and business addresses of such Persons. Defendants agree to a continued obligation to keep all of their officers, directors and owners informed of the terms set forth herein.

11.2 Within sixty (60) days of the Effective Date, Defendants shall provide Plaintiffs with a memorandum detailing Defendants' policies and procedures for including within Advertisements and Websites the information required by the Motor Vehicle Advertising Regulations, as well as compliance with this Consent Judgment.

11.3 Defendants shall make available for inspection and copying, at no cost to Plaintiffs, all policies and procedures applicable to Section 11.2 as well as documents required to be maintained pursuant to N.J.A.C. 13:45A-26A.10. Such inspection shall be conducted during regular business hours upon reasonable notice to the Defendants.

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

12.3 In the event of Defendants' default under Section 6 of this Consent Judgment, service upon Defendants shall be effective upon mailing a notice via First Class Mail accompanied by a confirmed receipt facsimile transmission.

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 violations by Defendants of the injunctive provisions of this Consent Judgment and/or the 2004 Consent Order shall constitute a second or succeeding violation pursuant to 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 obligation to comply with all State and Federal laws, regulations or rules, as now constituted or as may hereafter be amended, or as granting permission to engage in any acts or practices prohibited by any such laws, regulations or rules; or
- (b) Limiting or expanding any right the Plaintiffs may otherwise have to obtain information, documents or testimony from 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 the 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:

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

For the Defendants:

Robert F. Dato, Esq.
Sansone Legal Department
90-100 Route 1
Avenel, New Jersey 07001

IT IS ON THE 14 DAY OF May 2010 SO ORDERED,
ADJUDGED AND DECREED.

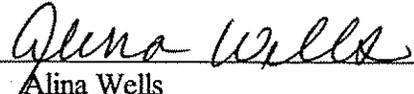
Glenn Berman

HON. GLENN BERMAN, J.S.C

JOINTLY APPROVED AND
SUBMITTED FOR ENTRY:

FOR THE PLAINTIFFS:

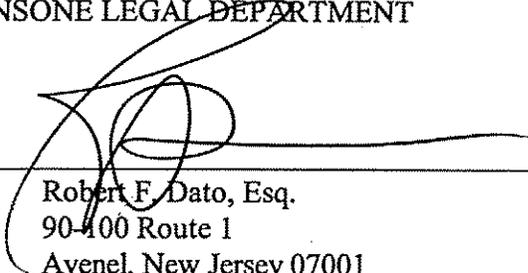
PAULA T. DOW
ATTORNEY GENERAL OF NEW JERSEY

By:  Dated: May 13, 2010
Alina Wells
Deputy Attorney General
Consumer Fraud Prosecution Section

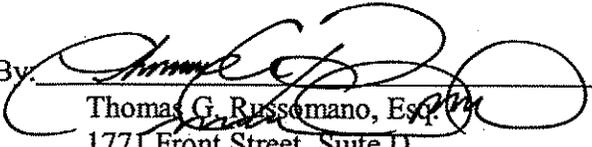
124 Halsey Street - 5th Floor
P.O. Box 45029
Newark, New Jersey 07101
Telephone: (973) 648-7819

FOR DEFENDANTS:

SANSONE LEGAL DEPARTMENT

By:  Dated: MAY 12, 2010
Robert F. Dato, Esq.
90-400 Route 1
Avenel, New Jersey 07001
Telephone: (732) 815-2628

SCHILLER & PITTINGER, P.C.

By:  Dated: May 13, 2010
Thomas G. Russomano, Esq.
1771 Front Street, Suite D
Scotch Plains, New Jersey 07076
Telephone: (908) 490-0444

FORDS NATIONAL AUTO MART, INC. d/b/a SANSONE FORD LINCOLN MERCURY,
PALADIN CHEVROLET, INC. d/b/a SANSONE CHEVROLET, SANSONE PLAZA DODGE,
INC. d/b/a SANSONE DODGE and MOTORS MANAGEMENT CORP. d/b/a SANSONE'S
ROUTE 1 AUTO MALL,

By: 

Paul J. Sansone, Sr.
90-100 Route 1
Avenel, New Jersey 07001

Dated: 6/12, 2010

MM 12, 2010