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ACTING ATTORNEY GENERAL OF NEW JERSEY
Division of Law
124 Halsey Street- 5th Floor
P.O. Box 45029
Newark, New Jersey 07101
Attorney for New Jersey Division of Consumer Affairs

FILED

MAR 23 2016

Division of Consumer Affairs

By: Russell M. Smith, Jr.
Deputy Attorney General
(973) 877-1280

STATE OF NEW JERSEY
DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF CONSUMER AFFAIRS

In the Matter of

AUTOZONE, INC; AUTOZONE
NORTHEAST LLC; and AUTOZONE
PARTS, INC.,

Respondents.

Administrative Action

CONSENT ORDER

WHEREAS this matter was opened by the New Jersey Division of Consumer Affairs, through its Office of Consumer Protection (“OCP”) and the New Jersey State Office of Weights and Measures (“OW&M”) (collectively, “Division”), as an investigation to ascertain whether violations of the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq. (“CFA”), and/or the Weights and Measures Act, N.J.S.A. 51:1-1 et seq., have been or are being committed by or on behalf of AutoZone, Inc., AutoZone Northeast LLC, and/or AutoZone Parts, Inc., all with a main business address of 123 South Front Street, Memphis, Tennessee 38013, (collectively, “Respondents” or “AutoZone”), (hereinafter referred to as the “Investigation”);

WHEREAS on January 21, January 22, February 9 and February 23, 2015, the Division inspected seven (7) AutoZone Stores located in New Jersey;

WHEREAS the Division alleges that Respondents were selling, attempting to sell or offering Merchandise without the total selling price of such Merchandise plainly marked by a stamp, tag, label or sign either affixed to the Merchandise or located at the point where the Merchandise is offered for Sale;

WHEREAS the Division alleges that Respondents inaccurately represented the price of Merchandise sold, offered, exposed or Advertised for Sale by weight, measure, count or time, and/or represented the price in a manner calculated or tending to be inaccurate;

WHEREAS while Respondents disagree with the allegations, Respondents have voluntarily and fully cooperated with the Division and provided information to assist with the Investigation;

WHEREAS the Division and Respondents (collectively, "Parties") have reached an amicable agreement thereby resolving the issues in controversy and concluding the Investigation without the need for further action, and Respondents have consented to the entry of the within order ("Consent Order") without admitting any violation of law or finding of fact, and for good cause shown:

IT IS ORDERED AND AGREED as follows:

1. EFFECTIVE DATE

1.1 This Consent Order shall be effective on the date that it is filed with the Division ("Effective Date").

2. DEFINITIONS

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

Consent Order:

2.1 “Advertisement” shall be defined in accordance with N.J.S.A. 56:8-1(a). This definition also applies to other forms of the term “Advertisement,” Including “Advertise” or “Advertised.”

2.2 “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.

2.3 “AutoZone Stores” shall refer to any and all automotive parts retail locations owned and/or operated by Respondents in New Jersey.

2.4 “Consumer” shall refer to any Person who is offered Merchandise for Sale.

2.5 “Including” shall be construed as broadly as possible and shall mean “without limitation.” This definition applies to other forms of the word “Including” such as “Include[s].”

2.6 “Merchandise” shall be defined in accordance with N.J.S.A. 56:8-1(c).

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

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

2.9 “Policy” or “Policies” shall Include any procedures, practices and/or established courses of action, whether written or oral.

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

2.11 “Store Manager, District Manager or Regional Manager” shall refer to Respondents’ employees holding those titles, and Includes other forms of those titles, Including “Assistant” or “Acting.”

3. PROHIBITED AND REQUIRED BUSINESS PRACTICES

3.1 Respondents shall not engage in any unfair or deceptive acts or practices in the conduct of any business in New Jersey and shall comply with such state and/or federal laws, rules and regulations as now constituted or as may hereafter be amended, including the CFA and the Weights and Measures Act.

3.2 Respondents shall not sell, attempt to sell or offer Merchandise without the total selling price of such Merchandise plainly marked by a stamp, tag, label or sign either affixed to the Merchandise or located at the point where the Merchandise is offered for Sale, in accordance with the CFA, specifically N.J.S.A. 56:8-2.5.

3.3 Respondents shall not inaccurately represent the price of Merchandise sold, offered, exposed or Advertised for Sale by weight, measure, count or time, and/or represent the price in a manner calculated or tending to be inaccurate, in accordance with the Weights and Measures Act, specifically N.J.S.A. 51:1-97(a)(4).

3.4 Respondents shall not sell or offer for Sale Merchandise at a price that exceeds the price posted at the point of display or otherwise, in accordance with the CFA, specifically N.J.S.A. 56:8-2.

3.5 Respondents shall not inaccurately represent to Consumers, at the point of display or otherwise, the price of Merchandise offered for Sale, in accordance with the CFA, specifically N.J.S.A. 56:8-2.

4. SETTLEMENT PAYMENT

4.1. The Parties have agreed to a settlement of the Investigation in the amount of Forty-Seven Thousand Five Hundred and 00/100 Dollars (\$47,500.00) (“Settlement Payment”).

4.2 The Settlement Payment comprises Forty Thousand Nine Hundred Forty Two and 79/100 Dollars (\$40,942.79) in civil penalties pursuant to N.J.S.A. 56:8-13 and N.J.S.A. 51:1-97(a), Three Thousand One Hundred Thirty-Five and 78/100 Dollars (\$3,135.78) in attorneys' fees pursuant to N.J.S.A. 56:8-19, and Three Thousand Four Hundred Twenty-One and 43/100 Dollars (\$3,421.43) in investigative costs pursuant to N.J.S.A. 56:8-11.

4.3 Respondents shall pay the entire Settlement Payment contemporaneously with the signing of this Consent Order.

4.4 The Settlement Payment shall be made by certified or cashier's check, money order, wire transfer, or credit card made payable to the "New Jersey Division of Consumer Affairs," and shall be forwarded to the undersigned:

Russell M. Smith, Jr., Deputy Attorney General
Division of Law, Consumer Fraud Prosecution Section
124 Halsey Street - 5th Floor
P.O. Box 45029
Newark, New Jersey 07101

4.5 Upon making the Settlement Payment, Respondents 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 Division pursuant to the terms herein.

5. GENERAL PROVISIONS

5.1 This Consent Order is entered into by the Parties as their own free and voluntary act and with full knowledge and understanding of obligations and duties imposed by this Consent Order.

5.2 This Consent Order shall be governed by, and construed and enforced in accordance with, the laws of the New Jersey.

5.3 The Parties have negotiated, jointly drafted and fully reviewed the terms of this Consent Order 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 Order.

5.4 This Consent Order contains the entire agreement between the Parties. Except as otherwise provided herein, this Consent Order shall be modified only by a written instrument signed by or on behalf of the Parties.

5.5 Except as otherwise explicitly provided in this Consent Order, nothing in this Consent Order shall be construed to limit the authority of the Attorney General to protect the interests of the State or the people of the State.

5.6 If any portion of this Consent Order is held invalid or unenforceable by operation of law, the remaining terms of this Consent Order shall not be affected.

5.7 This Consent Order shall be binding upon Respondents, as well as any Person through which they may now or hereafter act, as well as any Persons who have authority to control or who, in fact, control and direct their business.

5.8 This Consent Order 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 Order be used to avoid compliance with this Consent Order.

5.9 This Consent Order is entered into by the Parties for settlement purposes only. Neither the fact of, nor any provision contained in this Consent Order shall constitute, or be

construed as: (a) an approval, sanction or authorization by the Attorney General, the Division or any other governmental unit of New Jersey of any act or practice of Respondents; and (b) an admission by Respondents that any of their acts or practices described in or prohibited by this Consent Order are unfair or deceptive or violate the CFA and/or the Weights and Measures Act.

5.10 Unless otherwise prohibited by law, any signatures by the Parties required for entry of this Consent Order 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 Order.

5.11 This Consent Order is a public document subject to the New Jersey Open Public Records Act, N.J.S.A. 47:1A-1 et seq.

6. REPRESENTATIONS AND WARRANTIES

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

6.2 Respondents represent and warrant that, at present, they employ a procedure whereby they complete and/or correct price changes at all AutoZone Stores on a weekly basis.

6.3 Respondents represent and warrant that, at present, Respondents' management, including Regional and District Managers, conduct inventory inspections, including pricing inspections, when on a site-visit to an AutoZone Store. Records of stores' inventory management processes can be reviewed by management through an online reporting channel during those on site-visits.

7. RELEASE

7.1 In consideration of the undertakings, mutual promises and obligations provided for in this Consent Order and conditioned on Respondents making the Settlement Payment in the manner specified in Section 4, the Division hereby agrees to release Respondents from any and all civil claims or Consumer related administrative claims, to the extent permitted by State law, which the Division could have brought prior to the Effective Date against Respondents for violations of the CFA and/or the Weights and Measures Act, as well as the matters specifically addressed in this Consent Order (“Released Claims”).

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

8. MONITORING FOR COMPLIANCE

8.1 On or before May 20, 2016, Respondents shall distribute a summary of this Consent Order to the Store Manager, District Manager and Regional General Manager for each AutoZone Store. On or before June 20, 2016, Respondents shall provide the Division with an acknowledgement that each of the above-referenced Persons have been provided with a summary of this Consent Order, along with an alphabetical list of names and titles of such Persons. With respect to non-managerial employees, Respondents shall make available a summary of this Consent Order through a conspicuous link on its internal website for a period of at least two (2) years from the Effective Date.

8.2 Respondents shall maintain uniform Policies for monitoring the price accuracy of Merchandise at AutoZone Stores to ensure that such Merchandise is not displayed, offered for

Sale and/or sold at a price that exceeds the price posted at the point of display or otherwise.

8.3 Respondents shall maintain uniform Policies to ensure that the total selling price of Merchandise displayed, offered for Sale and/or sold at AutoZone Stores is plainly marked on the Merchandise or at the point where the Merchandise is offered for Sale.

8.4 Within thirty (30) days of the Effective Date, and for a period of at least two (2) years thereafter, Respondents represent that at least one (1) Store Manager at all AutoZone Stores will have price auditing responsibilities, which shall include: conducting a minimum of one (1) audit per week of at least fifty (50) randomly selected Merchandise items offered for Sale. Respondents shall make available the data contained in these weekly audits to the Division through the designated corporate contact Person outlined in Section 8.9 below, upon request by the Division and subject to reasonable notice and time to produce such information. Respondents shall maintain the records of such audits for at least three (3) months from the date of each audit, which records shall include the following information: (a) date and time of audit; (b) the number of Merchandise items audited; and (c) a list of the pricing errors discovered during the audit.

8.5 Respondents shall provide AutoZone Store Managers and other appropriate employees with the training and/or instruction necessary to ensure compliance with this Consent Order.

8.6 Within thirty (30) days of the Effective Date, Respondents shall create a Pricing Accuracy Best Business Practices Guide (“Best Business Practices Guide”) for New Jersey AutoZone employees, and shall make it available to the Division. Within forty five (45) days of

the Effective Date, Respondents shall make the Best Business Practices Guide available to New Jersey AutoZone employees through a conspicuous link on their internal website. Within nine (9) months of the Effective Date, all Store Managers of Respondents whose principal work site is an AutoZone Store shall participate in training that contains information concerning Respondents' best business practices on pricing accuracy and provides instruction on how to respond to Consumer inquiries regarding pricing issues. For a period of at least two (2) years from the Effective Date, Respondents shall also provide such training to all newly hired Store Managers.

8.7 For a period of at least two (2) years from the Effective Date, Respondents' Store Managers shall participate, on an annual basis, in the training referenced in Section 8.6.

8.8 Respondents shall employ a procedure for senior management monitoring and correction of pricing discrepancies identified at AutoZone Stores.

8.9 Within thirty (30) days of the Effective Date, and for a period of at least two (2) years thereafter, Respondents shall designate Kimberlye Braswell with Pricing Compliance Coordinator ("PCC") duties. The duties of the PCC shall include the intake of notices of pricing violations at AutoZone Stores, distributing such notices to Respondents' Legal Department and processing payment for any properly assessed penalties. Maria Leggett, Esq. and Susan Bjorklund, Esq. shall be the designated corporate contract Persons for inquiries from the Division, and shall monitor compliance with Respondents' Merchandise pricing policies and the terms of this Consent Order at all AutoZone Stores. The PCC, Ms. Leggett and/or Ms. Bjorklund may delegate duties to other employees of Respondents, appoint "backup" PCCs, or

retain third-parties as the PCC deems reasonable and appropriate to assist with the PCC's responsibilities.

9. PENALTIES FOR FAILURE TO COMPLY

9.1 The Attorney General (or designated representative) shall have the authority to enforce the provisions of this Consent Order or to seek sanctions for violations hereof or both.

10. COMPLIANCE WITH ALL LAWS

10.1 Except as provided in this Consent Order, no provision herein shall be construed as:

- a. Relieving Respondents 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 Division may otherwise have to obtain information, documents or testimony from Respondents 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 Respondents may otherwise have pursuant to any state or federal law, regulation or rule, to oppose any process employed by the Division to obtain such information, documents or testimony.

11. NOTICES UNDER THIS CONSENT ORDER

11.1 Except as otherwise provided herein, any notices or other documents required to be sent to the Parties pursuant to this Consent Order shall be sent by United States mail, Certified Mail Return Receipt Requested, or other nationally recognized courier service that provides 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 Division:

Russell M. Smith, Jr., Deputy Attorney General
Division of Law, Consumer Fraud Prosecution Section
124 Halsey Street - 5th Floor
P.O. Box 45029
Newark, New Jersey 07101

For the Respondents:

James M. Burns, Esq.
Genova Burns, LLC
494 Broad Street
Newark, New Jersey 07102

IT IS ON THE 23rd DAY OF March, 2016 SO ORDERED.

ROBERT LOUGY
ACTING ATTORNEY GENERAL OF NEW JERSEY

By: _____

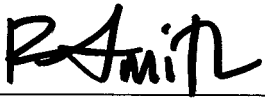


STEVE C. LEE, ACTING DIRECTOR
DIVISION OF CONSUMER AFFAIRS

**THE PARTIES CONSENT TO THE FORM, CONTENT AND ENTRY OF THIS
CONSENT ORDER ON THE DATES BESIDE THEIR RESPECTIVE SIGNATURES.**

FOR THE DIVISION:

ROBERT LOUGY
ACTING ATTORNEY GENERAL OF NEW JERSEY

By: 

Dated: 3/22, 2016

Russell M. Smith, Jr.
Deputy Attorney General
Division of Law, Consumer Fraud Prosecution
124 Halsey Street – 5th Floor
P.O. Box 45029
Newark, New Jersey 07101
Telephone: (973) 877-1280

FOR THE RESPONDENTS:

GENOVA BURNS, LLC

By: _____

Dated: _____, 2016

James M. Burns, Esq.
494 Broad Street
Newark, New Jersey 07102
(973) 699-7101

AUTOZONE, INC.

By: _____

Dated: _____, 2016

Kristen C. Wright
Senior Vice President, General Counsel and Secretary
Customer Satisfaction
123 South Front Street
Memphis, Tennessee 38103
Telephone: (901) 495-6578

**THE PARTIES CONSENT TO THE FORM, CONTENT AND ENTRY OF THIS
CONSENT ORDER ON THE DATES BESIDE THEIR RESPECTIVE SIGNATURES.**

FOR THE DIVISION:

JOHN J. HOFFMAN
ACTING ATTORNEY GENERAL OF NEW JERSEY

By: _____

Dated: _____, 2016

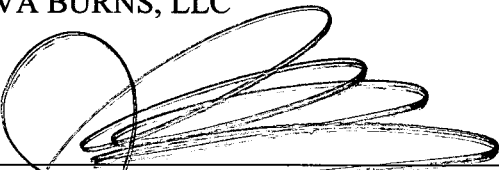
Russell M. Smith, Jr.
Deputy Attorney General
Division of Law, Consumer Fraud Prosecution
124 Halsey Street – 5th Floor
P.O. Box 45029
Newark, New Jersey 07101
Telephone: (973) 877-1280

FOR THE RESPONDENTS:

GENOVA BURNS, LLC

By: _____

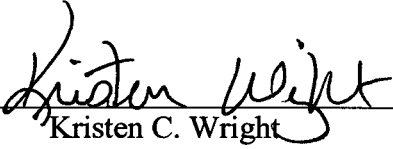
Dated: 3/17/16, 2016


James M. Burns, Esq.
494 Broad Street
Newark, New Jersey 07102
(973) 699-7101

AUTOZONE, INC.

By: _____

Dated: March 11, 2016


Kristen C. Wright
Senior Vice President, General Counsel and Secretary
Customer Satisfaction
123 South Front Street
Memphis, Tennessee 38103
Telephone: (901) 495-6578

By: Maria Leggett Dated: March 11, 2016
Maria Leggett
Vice President, Assistant General Counsel and Assistant Secretary
Customer Satisfaction
123 South Front Street
Memphis, Tennessee 38103
Telephone: (901) 495-8700

AUTOZONE NORTHEAST LLC

By: Kristen C. Wright Dated: March 11, 2016
Kristen C. Wright
Senior Vice President, General Counsel and Secretary
Customer Satisfaction
123 South Front Street
Memphis, Tennessee 38103
Telephone: (901) 495-6578

By: Maria Leggett Dated: March 11, 2016
Maria Leggett
Vice President, Assistant General Counsel and Assistant Secretary
Customer Satisfaction
123 South Front Street
Memphis, Tennessee 38103
Telephone: (901) 495-8700

AUTOZONE PARTS, INC.

By: Kristen C. Wright Dated: March 11, 2016
Kristen C. Wright
Senior Vice President, General Counsel and Secretary
Customer Satisfaction
123 South Front Street
Memphis, Tennessee 38103
Telephone: (901) 495-6578

By: 

Dated: March 11, 2016

Maria Leggett
Vice President, Assistant General Counsel and Assistant Secretary
Customer Satisfaction
123 South Front Street
Memphis, Tennessee 38103
Telephone: (901) 495-8700