

MATTHEW J. PLATKIN  
ATTORNEY GENERAL OF NEW JERSEY  
Division of Law  
124 Halsey Street - 5<sup>th</sup> Floor  
P.O. Box 45029  
Newark, New Jersey 07101  
Attorney for Division of Consumer Affairs

**FILED**

October 17 2023

Division of Consumer Affairs

By: Renee Cadmus  
Deputy Attorney General  
(973) 648-7819

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

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In the Matter of

Administrative Action

SOLLERS, INC.; SOLLERS  
EDUCATION, LLC; and SIBA PADHI,

**CONSENT ORDER**

Respondents.

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**WHEREAS** this matter having been opened by the New Jersey Division of Consumer Affairs, Office of Consumer Protection (“Division”), as an investigation to ascertain whether violations of the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 to -227 (“CFA”) and the Regulations Governing General Advertising, N.J.A.C. 13:45A-9.1 to -9.8 (“Advertising Regulations”) (hereinafter referred to as the “Investigation”), have been or are being committed by Sollers, Inc. and Sollers Education, LLC (collectively “Sollers”), and by Siba Padhi individually (collectively, with Sollers, “Respondents”);

**WHEREAS** Respondents, with a main business address of 33 Wills Way Building 9, Piscataway, New Jersey, 08854, are engaged in the Advertisement, offer for Sale and Sale of

Information Technology (“IT”) and Life Sciences Educational Instruction to Consumers in the State of New Jersey;

**WHEREAS** Sollers previously maintained a physical training location at 55 Parsonage Road, Unit 1850, Edison, New Jersey 08837 and has offered and continues to offer Educational Instruction at Sollers electronically;

**WHEREAS** the Investigation concerned multiple complaints filed by Consumers in connection with Sollers’ IT programs and/or use of Income Share Agreements (“ISAs”);

**WHEREAS** the Division, among other things, alleges that Respondents: (1) Advertised false hiring rates; (2) Advertised false claims of corporate and academic partnerships; (3) used misleading job postings to funnel students into high-cost IT programs; (4) made false statements that their ISAs are not a loan or credit; (5) violated the Federal Trade Commission (“FTC”) Holder Rule by failing to include the FTC Holder Rule language in their ISAs; and (6) violated the federal Truth in Lending Act (“TILA”) by failing to give student loan disclosures to students who signed ISAs and by including a prepayment penalty in the ISAs (the “Covered Claims”);

**WHEREAS** on June 27, 2023, Respondents attended an Executive Conference with the Division regarding the Investigation and the Division’s findings to date;

**WHEREAS** the Division and Respondents (collectively, “Parties”) have reached an amicable agreement hereby resolving the issues in controversy and concluding the Investigation without the need for further action, and Respondents having voluntarily cooperated with the Investigation and consented to the entry of the within order (“Consent Order”) without having admitted any fact or violation of law, including any independent liability or wrongdoing on the part of Siba Padhi, who is named herein as the sole shareholder of Sollers, and for good cause shown:

**IT IS ORDERED AND AGREED** as follows:

**1. EFFECTIVE DATE**

This Consent Order is effective on the date that it is filed with the Division (“Effective Date”).

**2. DEFINITIONS**

Capitalized terms not otherwise defined in this Consent Order, shall have the following meanings:

2.1 “Additional Consumer” shall refer to any Consumer who submits to the Division directly or indirectly, after the Effective Date, a written complaint concerning Respondents’ business practices for alleged violations of the CFA, the Advertising Regulations, and/or related consumer protection statutes and regulations.

2.2 “ADR Unit” shall refer to the Alternative Dispute Resolution Unit of the Division.

2.3 “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, but not limited to, “Advertise.”

2.4 “Attorney General” shall refer to the Attorney General of the State of New Jersey or Acting Attorney General of the State of New Jersey, as applicable, and the Office of the Attorney General of the State of New Jersey.

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

2.6 “Consumer Credit Contract[s]” shall be defined in accordance with 16 C.F.R. § 433.1(i).

2.7 “Covered Consumer Debt” means debt owed to Sollers pursuant to any ISA that Sollers could collect, recall, purchase, or otherwise obtain, including all unpaid interest and fees related to that debt, whether possessed by Sollers or referred, sold, assigned, or otherwise transferred to any collection agency or other party.

2.8 “Educational Instruction” shall refer to the process of teaching students using a curriculum that provides specific knowledge and skills.

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

2.10 “Private Education Loan[s]” shall be defined in accordance with 12 C.F.R. § 1026.46(b)(5).

2.11 “Restitution” shall refer to all methods undertaken by Respondents to resolve Consumer complaints including, but not limited to, the issuance of refunds or the reversal of credit card or debit card charges and/or the discharge of any student debts.

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

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

### **3. REQUIRED AND PROHIBITED BUSINESS PRACTICES**

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

3.2 Respondents and their officers, agents, employees, and all other persons in active concert or participation with any of them, whether acting directly or indirectly, are permanently

enjoined from attempting to collect, collecting, or assigning any right to collect any Covered Consumer Debt. Respondents shall not refer, sell, assign, or otherwise transfer any Covered Consumer Debt.

3.3 Within 30 business days after entry of this Consent Order, Respondents shall use all reasonable means to (1) recall, purchase, or otherwise obtain any Covered Consumer Debt that Respondents has referred, sold, assigned, or otherwise transferred to any collection agency or other party, (2) cease collection of all Covered Consumer Debt recalled, purchased, or otherwise obtained pursuant to Section 3.3 of this Consent Order, and (3) clear all Covered Debt described in Section 3.3 of this Consent Order from Sollers' financial systems.

3.4 Within ten business days after entry of this Consent Order, Respondents shall notify any collection agency or other party collecting Covered Consumer Debt and request that each collection agency or other party cease such collection efforts.

3.5 Respondents shall not report, instruct others to report, or cause any Consumer Reporting Agency ("CRA") to report, any negative or derogatory information regarding any Covered Consumer Debt. For any Covered Consumer Debt that has been reported to a CRA, Sollers shall, within ten business days of clearing all Covered Consumer Debt as required by Sections 3.3 and 3.4 of this Consent Order, request that each CRA delete the Covered Consumer Debt from the Consumer's credit reporting file.

3.6 To the extent Respondents receive any payments for Covered Consumer Debt after entry of this Consent Order, Respondents shall, within ten days of receipt, refund any such payments.

3.7 Respondents shall comply with the terms of any Order or Stipulation entered into between the Federal Trade Commission and Respondents, including, but not limited to

Consumer Notification regarding Covered Consumer Debt.

3.8 Respondents shall not create job postings as a way of promoting and/or obtaining students for any program, including any IT program, for which the students are required to pay Respondents or any third-party to participate in the program.

3.9 Respondents shall not issue Income Share Agreements to any students in relation to any of their programs.

3.10 Respondents shall obtain all appropriate State licenses in regards to each and every program they provide at Sollers or any other educational institution.

3.11 Respondents shall not make any misrepresentation, or assist others in making any misrepresentation, expressly or by implication, with respect to Sollers or any educational institution, regarding:

- a. Employment, hiring or career prospects;
- b. Respondents' relationships with any companies or employers, or any benefit from such relationships;
- c. Whether Consumers have applied or are applying to an employment opportunity through Respondents' services;
- d. Whether a product is a loan or credit or creates debt; and
- e. Any other fact material to Consumers concerning any product or service including: the total costs; any material restrictions, limitations, or conditions; or any material aspect of its performance, efficacy, nature, or central characteristics.

3.12 Respondents shall not make any representation, or assist others in making any representation, expressly or by implication, about the benefit or outcome of any product or service, unless the representation is non-misleading, and, at the time such representation is made,

Respondents process and rely upon competent and reliable evidence that is sufficient in quality and quantity to substantiate that the representation is true.

3.13 Respondents shall not take or receive a Consumer Credit Contract, unless that contract contains, in at least ten point and bold face type, the following provision:

NOTICE: ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED PURSUANT HERETO OR WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.

3.14 Respondents shall not sell, transfer, or assign any Consumer Credit Contracts, unless:

- a. The recipient of such Consumer Credit Contract agrees, in the writing memorializing the assignment, that its rights are subject to the borrowers' claims and defenses against Respondents; and
- b. Each Consumer Credit Contract borrower whose account is sold, transferred, or assigned is given notice within five days after the sale, transfer, or assignment that the borrowers' note has been assigned and the borrowers' obligation to pay is subject to the borrowers' claims and defenses against Respondents.

3.15 Respondents shall not violate any provision of the Holder Rule, 16 C.F.R. Part 433.

3.16 Respondents shall not take or receive a Private Education Loan without giving disclosures required by Regulation Z, 12 C.F.R. Part 1026.

3.17 Respondents shall not impose a prepayment penalty on a Private Education Loan, in compliance with 15 U.S.C. § 1650(e).

#### **4. ADDITIONAL CONSUMER COMPLAINTS**

4.1 For a period of one year from the Effective Date, the Division shall forward to Respondents copies of any Additional Consumer complaints received by the Division within 30 days of the Division's receipt thereof, provided that failure to timely forward such complaints within that time shall have no impact on Respondents' obligations under this Section of the Consent Order.

4.2 After forwarding the Additional Consumer complaint to Respondents, the Division shall notify the Additional Consumer, in writing, of the following: (a) that the Additional Consumer's complaint has been forwarded to Respondents; (b) that the Additional Consumer should expect a response from Respondents within 30 days from the date of this notice; and (c) the Additional Consumer's right to refer the complaint to the ADR Unit for binding arbitration if Respondents dispute the complaint and/or requested relief.

4.3 Within 30 days of receiving the Additional Consumer Complaint from the Division, Respondents shall send a written response to the Additional Consumer, with a copy sent by first class mail, fax or email to the following:

New Jersey Division of Consumer Affairs  
Office of Consumer Protection  
Case Management and Tracking Unit  
124 Halsey Street, 7<sup>th</sup> Floor  
P.O. Box 45025  
Newark, New Jersey 07101  
Fax: (973) 792-4202  
E-mail: [cmt@dca.njoag.gov](mailto:cmt@dca.njoag.gov)



4.4 If Respondents do not dispute the Additional Consumer's complaint and requested relief, Respondents shall so inform the Additional Consumer in writing. Respondents shall contemporaneously provide Restitution to the Additional Consumer. Where Restitution concerns the reversal of credit or debit charges, Respondents shall provide documents to the Additional Consumer evidencing that such adjustments have been made. Where Restitution concerns a refund or other payment, such shall be made to the Additional Consumer by check or money order made payable to the Additional Consumer.

4.5 If Respondents dispute the Additional Consumer's complaint and/or requested relief, Respondents' written response shall include copies of all documents concerning Respondents' dispute of the complaint.

4.6 Within 45 days of receiving from the Division the Additional Consumer's complaint, Respondents shall provide the Division with written notification that shall include the following:

- (a) The Additional Consumer's name and address;
- (b) Whether the Additional Consumer's complaint has been resolved;
- (c) An identification of the Restitution provided to the Additional Consumer along with an acknowledgment from the Additional Consumer that their complaint has been resolved;
- (d) Copies of all documents evidencing Restitution provided to the Additional Consumer;
- (e) Confirmation that Respondents sent all mailings to the Additional Consumer as required by this Section; and
- (f) In the event Respondents' written response and/or Restitution to the Additional Consumer was returned as undeliverable, a description of the

efforts Respondents have undertaken to locate or contact the Additional Consumer.

4.7 Following the Division's receipt of notification from Respondents that an Additional Consumer's complaint has been resolved, and the Division's verification of the same, the Additional Consumer's complaint shall be deemed closed for purposes of this Consent Order.

4.8 If within 60 days of Respondents' receipt of the Additional Consumer's complaint: (a) Respondents have not notified the Division that the Additional Consumer's complaint has been resolved; (b) Respondents have notified the Division that the Additional Consumer's complaint has not been resolved; or (c) Respondents have notified the Division that the Additional Consumer refuses Respondents' offer of Restitution, the Division shall forward such Additional Consumer complaint to the ADR Unit for binding arbitration. Respondents agree herein to consent to this arbitration process and to be bound by the arbitrator's decision. Contemporaneously with the execution of this Consent Order, Respondents shall sign and return to the Division the Agreement to Arbitrate (a copy of which is attached hereto as Exhibit A). As set forth in Section 4.1, Respondents agree to be bound by the immunity provisions of the New Jersey Arbitration Act, N.J.S.A. 2A:23B-14, and the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 to 12-3. The Division shall notify any such Additional Consumer and Respondents of the referral of the complaint to the ADR Unit. Thereafter, the arbitration shall proceed in accordance with the ADR Guidelines (a copy of which is attached as Exhibit B).

4.9 If Respondents refuse to participate in the ADR program, the arbitrator may enter a default award against Respondents. Unless otherwise specified in the arbitration award, Respondents shall pay all arbitration awards within 30 days of the arbitrator's decision.

Respondents' failure to pay an arbitration award in a timely manner shall constitute a violation of this Consent Order.

4.10 Respondents' failure or refusal to comply with the requirements of Sections 3.1 through 3.12, 4.3 through 4.6, 4.8 through 4.9, and/or to participate in the arbitration process or pay an arbitration award timely shall constitute a violation of this Consent Order. Under these circumstances, the Division may unilaterally discontinue the Additional Consumer complaint resolution process upon notice to Respondents.

4.11 If an Additional Consumer refuses to participate in the ADR program, that Additional Consumer's complaint shall be deemed closed for the purposes of this Consent Order.

4.12 The Parties may agree in writing to alter any time periods or deadlines set forth in this Section.

## **5. SETTLEMENT AMOUNT**

5.1 The Parties have agreed to a settlement of the Investigation in the amount of approximately Four Million Six Hundred and Five Thousand and 00/100 Dollars (\$4,605,000.00), which is comprised of: (i) ceased collection of all Covered Consumer Debt, currently estimated to be approximately Three Million Four Hundred Thousand and 00/100 Dollars (\$3,400,000.00), pursuant to N.J.S.A. 56:8-8, and (ii) a civil penalty of One Million Two Hundred and Five Thousand and 00/100 Dollars (\$1,205,000.00), pursuant to N.J.S.A. 56:8-13.

5.2 The civil penalty totaling One Million Two Hundred and Five Thousand and 00/100 Dollars (\$1,205,000.00) shall be suspended and automatically vacated ("Suspended Penalty") at the expiration of one year from the Effective Date provided:

- a. Respondents sign and return this Consent Order by October 6, 2023; and
- b. Respondents do not engage in any acts or practices that violate the CFA or

the Advertising Regulations and otherwise adhere to the required and prohibited business practices set forth in Section 3.

5.3 In the event Respondents fail to comply with the requirements of Section 5.2, the Division shall provide them with notice seeking payment of the Suspended Penalty (“Notice of Noncompliance”). Respondents shall be afforded a 15 day period from receipt of such notice within which to cure any noncompliance (“Cure Period”). In the event that Respondents cure the noncompliance within the Cure Period, the Suspended Penalty shall return to its suspended status. In the event Respondents fail to cure the noncompliance within the Cure Period, the Division will file a Certificate of Debt for the balance of the Settlement Payment, if any, and the Suspended Penalty and/or may commence additional enforcement efforts and, if applicable, may enter a Provisional Order of Suspension or Revocation of Respondents’ license or registration issued by the Division.

5.4 In the event Respondents cure a noncompliance and then subsequently fail to comply with any of the requirements of Section 5.2 again, then, in lieu of issuing another Notice of Noncompliance, the Division may file a Certificate of Debt for the Suspended Penalty and/or may commence additional enforcement efforts and, if applicable, may enter a Provisional Order of Suspension or Revocation of any license or registration issued by the Division to Respondents.

## **6. GENERAL PROVISIONS**

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

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

6.3 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.

6.4 This Consent Order contains the entire agreement among 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.

6.5 Except as otherwise explicitly provided in this Consent Order, 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.

6.6 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.

6.7 This Consent Order shall be binding upon Respondents as well as their managers, agents, employees, successors and assigns, and any Person through which they may now or hereafter act, as well as any Person who has authority to control or who, in fact, controls and directs their business.

6.8 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 avoid compliance with this Consent Order.

6.9 This Consent Order is agreed to by the Parties and entered into 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 Division or any other governmental unit of the State of any act or practice of Respondents; or (b) an admission by Respondents that any of the acts or practices described in or prohibited by this Consent Order are unfair, or deceptive or violate the CFA or the Advertising Regulations.

6.10 This Consent Order 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 any or all of the terms herein; or (b) any action or proceeding involving a Released Claim (as defined in Section 8) to support a defense of res judicata, collateral estoppel, release or other theory of claim preclusion, issue preclusion or similar defense.

6.11 Unless otherwise prohibited by law, any signatures by the Parties required for filing of this Consent Order may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same Consent Order.

6.12 This Consent Order is a public document subject to the New Jersey Open Public Records Act, N.J.S.A. 47:1A-1 to -13.

## **7. REPRESENTATION AND WARRANTIES**

7.1 Respondents represent and warrant that they have ceased collecting on all Covered Consumer Debt held solely by Respondents, that Sollers' books and records reflect

cancellation of all Covered Consumer Debt held solely by Respondents, and that Respondents are actively working with servicers and collection companies to cancel any debt that was sold and/or transferred.

7.2 The Parties represent and warrant 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.

7.3 Respondents represent and warrant that they have fully read and understand this Consent Order, the legal consequences involved in signing the Consent Order, and that there are no other representations or agreements not stated in writing herein.

## **8. RELEASE**

8.1 In consideration of the payments, 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 5.3, 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 arising out of or concerning the Covered Claims (the “Released Claims”).

8.2 Notwithstanding any term of this Consent Order, the following do not comprise Released Claims: (a) private rights of action provided, however, that nothing herein shall prevent Respondents from raising the defense of set-off against a Consumer who has received Restitution; (b) actions to enforce this Consent Order; and (c) any claims against Respondents by any other agency or subdivision of the State.

## **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.

9.2 The Parties agree that any future violations of the provisions of Section 3 of this Consent Order, the CFA, and/or the Advertising Regulations shall constitute a second or succeeding violation pursuant to N.J.S.A. 56:8-13 and that Respondents may be liable for enhanced civil penalties.

## **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 Division or Respondents pursuant to this Consent Order shall be sent by electronic mail and simultaneously by 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 Division:

Assistant Deputy of Enforcement, Office of Consumer Protection  
Division of Consumer Affairs, State of New Jersey  
Office of the Attorney General  
Department of Law and Public Safety  
124 Halsey Street - 7<sup>th</sup> Floor  
P.O. Box 45028  
Newark, New Jersey 07101  
Renee.Cadmus@law.njoag.gov

For the Respondents:

Robert E. Margulies, Esq.  
Schumann Hanlon Margulies LLC  
30 Montgomery Street, Suite 390  
Jersey City, New Jersey 07302  
RMargulies@shdlaw.com

IT IS ON THE 17th DAY OF October, 2023 SO ORDERED.

MATTHEW J. PLATKIN  
ATTORNEY GENERAL OF NEW JERSEY

By: Cari Fais  
CARI FAIS, ACTING DIRECTOR  
DIVISION OF CONSUMER AFFAIRS

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

FOR THE DIVISION:

MATTHEW J. PLATKIN  
ATTORNEY GENERAL OF NEW JERSEY

By: Renee Cadmus  
Renee Cadmus, Deputy Attorney General  
Consumer Fraud Prosecution Section  
124 Halsey Street - 5<sup>th</sup> Floor  
P.O. Box 45029  
Newark, New Jersey 07101

Dated: October 10, 2023

FOR RESPONDENTS:

SCHUMANN HANLON MARGULIES LLC

By: Robert E. Margulies  
*Sella Abney* Robert E. Margulies, Esq.  
Schumann Hanlon Margulies LLC  
Counsel for Respondents  
30 Montgomery Street, Suite 390  
Jersey City, New Jersey 07302

Dated: 10/6/, 2023

SOLLERS, INC.

By: Siba Padhi  
Siba Padhi, Officer  
33 Wills Way, Building 9  
Piscataway, New Jersey 08854

Dated: 10/05/, 2023

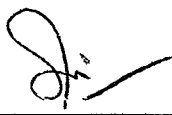
SOLLERS EDUCATION, LLC

By:  \_\_\_\_\_

Siba Padhi, Officer  
33 Wills Way, Building 9  
Piscataway, New Jersey 08854

Dated: 10/05/, 2023

SIBA PADHI, INDIVIDUALLY

By:  \_\_\_\_\_

Siba Padhi  
59 Dickinson Road  
Basking Ridge, New Jersey 07920

Dated: 10/05/, 2023

# **EXHIBIT A**

STATE OF NEW JERSEY  
DEPARTMENT OF LAW AND PUBLIC SAFETY  
DIVISION ON CONSUMER AFFAIRS  
ALTERNATIVE DISPUTE RESOLUTION UNIT  
153 Halsey Street - Seventh Floor  
Newark, New Jersey 07101  
(973) 504 - 6100

**Arbitration Program**

*PLEASE REVIEW THIS DOCUMENT. SIGN IT AND RETURN IT TO THIS OFFICE IN THE SELF STAMPED ENVELOPE NO LATER THAN 10 DAYS AFTER RECEIVING THIS AGREEMENT. KEEP A COPY FOR YOUR OWN RECORDS.*

**INTRODUCTION**

In order to resolve a pending dispute that resulted in the filing of a complaint with or against a State agency, you have agreed to participate in an arbitration conducted by the **Alternative Dispute Resolution Unit ("ADR Unit")** of the New Jersey Department of Law and Public Safety's Division of Consumer Affairs.

Arbitration is a process in which a trained volunteer reviews the facts of the case and the issues in question in order to come up with a final decision which will resolve the controversy. Although the arbitrator is not a judge, the decision issued is final and binding on the parties who have agreed to participate in arbitration as a method of settling a dispute.\*

There are certain of your rights that may be altered by participating in arbitration and there are certain agreements to which you must be willing to commit in order for this process to be successful in resolving your complaint. Completion of the "Agreement to Arbitrate" is designed to ensure that you understand the process involved, as well as the impact of a completed arbitration.

By signing this form, you agree to comply with its terms and with the terms of any agreed upon resolution, as set forth below.

**DISCLOSURE**

Before agreeing to participate in arbitration, all parties must be aware that the arbitrator's decision is final and binding and after a decision has been issued the parties cannot use any process, including the court system, to seek further relief for the dispute at hand. Essentially, once an arbitration has been completed and a decision issued, there is no more dispute. Consequently, decisions are issued as conclusions only. There will be no findings of fact, and no opinion or rationale given by the arbitrator. In short, the arbitrator's award is final, binding and prevents either party from looking for further assistance through any other process.

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\* There are only a very few instances in which an arbitration can be reviewed by a court or reconsidered by the arbitrator. An arbitrator's award is final and usually not subject to review by the courts unless it can be shown that fraud, corruption, or misconduct occurred in the process of arbitration or by the arbitrator. This is not legal advice nor is it a legal interpretation upon which any party can rely. At no time can any member of the ADR Unit, including the arbitrator, offer or provide any form of legal advice to a participant in dispute resolution.

STATE OF NEW JERSEY  
DEPARTMENT OF LAW AND PUBLIC SAFETY  
DIVISION ON CONSUMER AFFAIRS  
ALTERNATIVE DISPUTE RESOLUTION UNIT

**AGREEMENT TO ARBITRATE**

By signing this form and participating in the arbitration process, I hereby state that I understand and agree with the following:

1. I am willingly and voluntarily participating in arbitration;
2. I will participate fully in the arbitration process and participate in good faith at all times;
3. I will not subpoena or ask the arbitrator or any member of the ADR staff and its legal counsel to testify or divulge any records or information from the arbitration process in any judicial, administrative or other proceeding or action;
4. I agree that neither the arbitrator nor the staff of the ADR Unit will be liable in anyway for damages or injunctive relief for any act or omission in connection with the arbitration conducted in accordance with the rules, procedures and guidelines provided to me before the start of the session;
5. I agree that arbitration sessions are to be private and that persons other than the parties, their attorney or other representative, the director of the ADR Unit or an authorized representative and the arbitrator may attend the proceedings only with the permission and agreement of both parties and the arbitrator;
6. I will not record the arbitration session by or with any electronic or other recording or stenographic device;
7. I will comply with all the rules, procedures and guidelines set out in the document and established by the arbitrator at the start of the session;
8. There will be no finding of fact, and no opinion or rationale provided by the arbitrator.

I HAVE READ THIS DOCUMENT CAREFULLY AND UNDERSTAND THE RULES SET FORTH ABOVE. THE ARBITRATION PROCESS HAS BEEN EXPLAINED TO ME AND ALL OF MY QUESTIONS HAVE BEEN ANSWERED. I UNDERSTAND THAT I DO NOT HAVE TO PARTICIPATE IN THIS ARBITRATION PROGRAM AND THAT PARTICIPATION IS NOT A PRECONDITION TO SEEKING ANY OTHER RELIEF PRIOR TO THE BEGINNING OF THE ADR PROCESS. I AM AWARE AND AGREE THAT ONCE I HAVE SIGNED THIS AGREEMENT TO ARBITRATE I MAY NO LONGER WITHDRAW FROM THIS ARBITRATION PROCESS. ALSO, WHEN A DECISION IS REACHED ALL PARTIES ARE BOUND BY THAT DECISION. MOREOVER, THAT DECISION IS BINDING AND PREVENTS EITHER PARTY FROM PURSUING ADDITIONAL RELIEF RELATED TO THIS MATTER IN ANY OTHER FORUM OR THROUGH ANY OTHER PROCESS.

COMPLAINANT

\_\_\_\_\_  
Signature


\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, State, and Zip Code

\_\_\_\_\_  
Date

RESPONDENT

  
\_\_\_\_\_  
Signature

SIBA PADHI  
\_\_\_\_\_  
Print Name

33 Wills Way  
\_\_\_\_\_  
Address

Piscataway, NJ 08854  
\_\_\_\_\_  
City, State, and Zip Code

10/06/2023  
\_\_\_\_\_  
Date



# **EXHIBIT B**

**NEW JERSEY DEPARTMENT OF LAW AND PUBLIC SAFETY  
DIVISION OF CONSUMER AFFAIRS  
ALTERNATIVE DISPUTE RESOLUTION UNIT**

**ADR UNIT GUIDELINES**

**INTRODUCTION**

The Division of Consumer Affairs ("Division") started the Alternative Dispute Resolution ("ADR") Unit in May 1992 as an independent, non-advocacy unit within the Division. It was designed to offer a method of resolving problems without using the court system, thereby avoiding the time and expense of court cases. Two programs are available for settling disputes: mediation and arbitration. In the mediation program, the parties involved work directly with a mediator who, as an uninvolved third party, helps to create an atmosphere that is conducive to resolving the issues. In arbitration, the parties present their problem to a neutral individual who analyzes the presentations and then issues a final decision that all parties must follow. Both approaches use trained volunteers and are generally available to the parties at no cost. Originally, the Division made these services available only for settling disputes between businesses and consumers. Over time, however, the focus has been expanded and this assistance is now available to various State agencies.

**I. DEFINITIONS**

Listed below are definitions for terms used in these Guidelines and in the various ADR processes:

(1) **"Arbitration"** is a voluntary means of settling a disagreement in which an arbitrator assigned by the ADR Unit reviews the facts of the case, meets with the parties, and issues a final non-reasoned award that is binding on everyone involved. (A "non-reasoned award" means the parties receive the decision reached by the arbitrator but not the rationale that went into reaching that decision.) Once such a decision is issued, the parties' right to seek further review through the court system is very limited. If necessary, however, the terms of the award can be enforced by the courts. (See discussion below). For the purposes of these Guidelines, an arbitration begins at the time the parties sign the arbitration agreement. (See section VI below.)

(2) An **"arbitrator"** is a volunteer trained by the Division who reviews the facts of the case, meets with the parties and issues a final and binding decision.

(3) A **"complaint"** is a dispute arising out of an interaction between a business and a consumer or between an individual and a State agency, as well as from cases referred by a State agency.

(4) A **"complainant"** is the person who brings the dispute to the attention of the Division or the Unit.

(5) **"Mediation"** is the process by which a mediator works with the parties in an effort to help them craft and agree upon a solution to the dispute. For the purposes of these Guidelines, a mediation begins at the time the parties agree to mediate. That settlement, once reached, is binding on the parties. (See section VI below.)

(6) A **"mediation document"** is any written material prepared before or during the mediation for purposes of the mediation. Such papers may include, but are not limited to, memoranda, notes, files and records.

(7) A **"mediator"** is a volunteer trained by the Division to serve as a neutral third party to help settle disputes brought to the ADR Unit. The mediator does not have the authority to impose a resolution upon the parties.

(8) A **"party"** is a complainant or respondent and may be an individual, corporation, association or other legal entity.

(9) A **"respondent"** is the party against whom the complaint is filed.

## II. **WHAT IS MEDIATION?**

In mediation, through one or more sessions, the mediator encourages the parties to explain their positions about the dispute and helps them develop a solution that is acceptable to them. This is a voluntary procedure that, when successful, quickly turns a dispute into a winning situation for both parties; as a result, long and costly litigation can be avoided.

The mediator may conduct joint and separate meetings with the parties and may propose oral and written suggestions for settlement. (At the discretion of the mediator, the mediation may be conducted by telephone.) The mediator determines when each party may speak during a mediation conference. The mediator may also decide whether the party's representative may speak during the conference. If necessary, the mediator may obtain expert advice concerning technical aspects of the dispute. When appropriate, and when they agree, the parties will jointly pay for such advice. Arrangements for obtaining that input will be made by the mediator or by agreement of all parties.

It is important to note that although mediation is non-binding, once a resolution is reached and agreed upon by the parties, it is binding on all involved, as would any agreed upon contract.

## III. **WHAT IS ARBITRATION?**

The arbitration process also uses trained volunteers to resolve disputes. The arbitrator reviews the facts and issues of the dispute, hears testimony, accepts evidence and evaluates the positions of the parties. Unlike mediation where the parties have agreed to a resolution, in arbitration the arbitrator issues a binding decision. That decision is in the form of a non-reasoned award; that is, no findings of fact and no opinion or rationale are provided by the arbitrator. Additionally, arbitration is not as formal as a court

proceeding. For example, evidence often unacceptable in a court proceeding may be admissible in an arbitration. The parties are bound by and must follow the decision. This process is also faster and less costly than taking a case to court, and the arbitrator's award is viewed as an end to the case. Arbitration awards cannot be challenged in court except under very limited circumstances. For example, in order to overturn a decision, there must be a showing of favoritism, prejudice, fraud, misconduct, or blatant disregard of the rules and procedures in relation to the process of the arbitration. Once a dispute has been submitted for arbitration and an award is issued, neither party can later choose to resolve the dispute again in any other manner, including use of the court system. Please note that if any party to the dispute fails to comply with the arbitrator's decision, the offended party may apply to a court of appropriate jurisdiction to have the decision enforced pursuant to N.J.S.A. 2A:23B-22.

#### **IV. GENERAL GUIDELINES FOR DISPUTE RESOLUTION**

##### **Standard for Participation**

The Director of the ADR Unit accepts referrals from State agencies for mediation or arbitration of complaints that are appropriate for those types of dispute resolution. Such complaints include, among others, requests for restitution, replacements or exchanges of merchandise, warranty claims, and specific performance under a contract.

The Director of the Unit may, in his discretion, decline to accept matters for dispute resolution if the matter is not suitable for arbitration or mediation. In making that determination, the Director shall consider the nature of the relief sought by the complainant (money damages or other relief that can be awarded) and whether the responding party continues to exist or has the resources to address the complaint (for example, the company is bankrupt). If the referral is made pursuant to a Consent Order from a State Agency, any decision to decline to attempt dispute resolution shall be promptly conveyed to that agency along with the reasons for the decision.

##### **Complaint Review**

The ADR Unit reviews the complaints it receives to determine their suitability for the Unit's dispute resolution processes. If the Unit finds that a complaint is appropriate for resolution, either through mediation or arbitration, it will offer those services to the parties involved. Though the ADR Unit and/or the parties decide if mediation or arbitration will be used, generally, unless otherwise required by consent order, matters will be mediated.

If the ADR Unit considers a complaint inappropriate for its dispute resolution procedures, it will return the complaint to the agency that initially referred it to the Unit.

##### **Beginning the Process**

Once a complaint has been accepted by the ADR Unit, a letter is sent to all parties. When

mediation is the proposed process, the letter to the complainant says that the complaint has been received and that the other party, the respondent, is being contacted. The letter to the respondent offers a brief description of the complaint. The letters to both parties name the neutral third party appointed and state how to best contact that person.

In matters to be arbitrated, both parties will be informed of the date of the hearing through ADR Unit staff. In arbitration, ex parte communication, that is contact by one party without the presence of the other, is strictly prohibited. Once the parties agree to participate in dispute resolution, the process is started. Should an arbitrator or mediator become unwilling or unable to serve, the ADR Unit will appoint an alternate.

### **Representation**

Any party may be represented by an attorney during dispute resolution proceedings. In mediation, any individual designated by a party may accompany the party to and participate in a mediation.

### **Date, Time and Place of Mediation or Arbitration**

The mediator shall set the date and time of each conference. In the case of an arbitration, the ADR Unit staff, will fix the date and time of the hearing. Unless the parties are notified otherwise, sessions are held at the offices of the ADR Unit, located at 153 Halsey Street, 7th floor, Newark, New Jersey. In mediation, the mediator and the parties may decide that the sessions will be conducted over the telephone. In arbitration, telephone hearings will only be conducted under extenuating circumstances. The Unit attempts to arrange convenient dates and times for all sessions. In the case of an arbitration, if necessary, the date and time of the hearing may be imposed by the ADR Unit staff. Parties failing to cooperate in setting a date and time or failing to appear when required, may forfeit the ability to present their case to the arbitrator and a decision may be rendered without their ability to offer testimony or evidence beyond those documents submitted to the Unit in advance of the arbitration.

### **Identification of Matters in Dispute**

#### **A) Mediation**

During an initial telephone conference, the mediator and the parties will discuss what information should be provided, including a brief description of the facts, issues and positions in dispute and the parties' desired outcome. That information and copies of any supporting documents must be produced at least five days before the first session. Documents may be exchanged between the parties if everyone expressly agrees to that process. The mediator may ask that additional information be provided before, during or after the sessions.

#### **B) Arbitration**

The ADR Unit will assign an arbitrator who will hear the matter. Once an arbitrator has been selected to hear the case, the arbitrator's curriculum vitae will be sent to each party to the dispute. (Please

see the **Disclosure** section - **D**, below, for the process used to challenge the selection of that arbitrator.) An ADR staff member will then contact the parties to establish a schedule. At least ten days before the first session, each party must provide the arbitrator, through the Unit staff, a brief written description of the facts and issues in dispute, all appropriate documents and background information that are relevant to the dispute and a statement of the relief sought through the arbitration process. Arbitration, through the ADR Unit will not award punitive or consequential damages. At any time during the process, the arbitrator may compel the production of additional information through documents or witnesses by way of subpoena.

Parties will be given the opportunity to present their case in its entirety, including all necessary documentation. However, unless otherwise expressly stated by the arbitrator, no evidence or testimony will be accepted by the arbitrator once the hearing has been concluded.

### **C) Written Requirements**

Before starting a face-to-face mediation or an arbitration, parties must agree to certain terms. There are agreement forms that must be read, understood and signed before anyone can participate. Copies of those forms are provided to the parties prior to the initial mediation or arbitration session but are signed only in the presence of the mediator or arbitrator. (Generally parties who participate in telephone mediation are not required to sign the form. They will, however, be required to indicate acceptance of the terms governing the mediation during the telephone conference.)

### **D) Disclosure**

A person appointed as an arbitrator shall disclose to the ADR staff and to the parties any circumstance likely to raise any question as to the arbitrator's impartiality or independence, including any bias or financial interest or past or present relationship with parties or their representatives. This shall remain a continuing obligation of the arbitrator. Notice of any challenge to the impartiality or independence of the arbitrator shall be made within five (5) days of becoming aware of circumstances giving rise to the challenge. This notice shall be in writing to the ADR Unit and shall set forth the facts and circumstances giving rise to the challenge.

### **V Privacy**

All sessions are private and confidential. Only parties and their designated representatives may attend conferences and/or hearings. Other persons may attend only with the permission of the parties and with the consent of the mediator or arbitrator and the Unit Director.

### **VI CONFIDENTIALITY OF DISPUTE RESOLUTION SESSIONS**

All information provided by parties during the mediation process is confidential. Success of mediation depends in large part on a free exchange of information, so it is important that parties feel free to discuss issues openly. Information provided by one party will not be revealed to the opposing party without the explicit authorization of the revealing side. Mediators cannot be forced to release any

information or to testify about the mediation in a lawsuit or court proceeding. All mediation documents are considered confidential. (For a full description of these rights and responsibilities please see N.J.S.A. 2A:23C-4, 5 and 6.)

In arbitrations, information provided to the arbitrator must also be given to the opposing party. Parties must maintain the confidentiality of the arbitration and may not disclose information except to the staff of the ADR Unit. Confidentiality as discussed in this section, takes effect upon the parties' agreement to participate in the ADR process. The following documents related to the arbitration proceeding are ***not*** considered confidential and may be available upon request to persons or entities:

- a) The complaint, with all its attachments, that initiated the arbitration;
- b) The response to the initial complaint, with all its attachments,; and
- c) The arbitrator's award.

All other documents submitted in the course of the arbitration are considered confidential and not available to any person or entity except the parties involved, the staff of the ADR Unit and its counsel.

No taped or stenographic record may be made of any dispute resolution process.

## **VII TERMINATION**

A mediation will be concluded in one of the following ways:

- 1) the signing of a written settlement agreement by the parties;
- 2) an oral agreement between the parties;
- 3) a written or oral statement of the mediator saying that further efforts at mediation will not be productive; or
- 4) a statement by a party or parties withdrawing from the mediation proceedings.

An arbitration will be concluded in one of the following ways:

- 1) upon the issuance of a decision by the arbitrator;
- 2) a written agreement between the parties resolving the dispute; or
- 3) a written statement by all parties that they no longer wish to continue the arbitration.

## **VIII EXCLUSION OF LIABILITY**

Neither the staff of the ADR Unit nor any mediator or arbitrator is a necessary party in a judicial proceeding related to the dispute that is being resolved. Parties to an arbitration expressly agree to be bound by the immunity provisions of the New Jersey Arbitration Act, N.J.S.A. 2A:23B-14 and the New Jersey Tort Claims Act, N.J.S.A. 59:10A-1 et seq. Parties to a mediation or arbitration shall be deemed to have consented that neither the staff of the ADR Unit nor any mediator or arbitrator shall be liable to any party in any way for damages or for injunctive relief for any act or omission in connection with any mediation or arbitration conducted under these rules.

## **IX INTERPRETATION AND APPLICATION OF RULES**

Mediators and arbitrators shall interpret and apply these rules as they relate to their duties and responsibilities. All other rules shall be interpreted and applied by the Director of the ADR Unit.

*Revised June 2008*