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

ANNE MILGRAM, Attorney General of the State of New Jersey, and DAVID M. SZUCHMAN, 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.

COMPLAINT

Plaintiffs Anne Milgram, Attorney General of the State of New Jersey (“Attorney General”), with offices located at 124 Halsey Street, Fifth Floor, Newark, New Jersey, and David M. Szuchman, Director of the New Jersey Division of Consumer Affairs (“Director”), with offices located at 124 Halsey Street, Seventh Floor, Newark, New Jersey, by way of Complaint state:

**PRELIMINARY STATEMENT**

1. For most consumers, a motor vehicle is a necessity, among other things, for commuting to and from work, taking children to and from school and performing daily or weekly errands. Particularly in these difficult economic times, the purchase or lease of a new motor vehicle is not a possibility for many consumers. Consequently, those consumers look to purchase a used motor vehicle and as one would anticipate, seek the best value based upon the vehicle’s price and condition. Many consumers seeking to purchase a motor vehicle from a used car dealership do not have independent access to information as to the prior condition and use of the motor vehicle. As such, consumers have no choice but to rely upon the dealership’s advertisements and other representations as to the prior condition and use of a used motor vehicle.

2. At all relevant times, 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 were engaged in the retail sale of new and used motor vehicles to consumers in the State of New Jersey (“State”) and elsewhere through internet advertising. In so doing, Defendants failed to comply with the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq. (“CFA”), and accompanying regulations, N.J.A.C. 13:45A-1.1 et seq. (“CFA Regulations”), among other things, by failing to disclose the

prior condition and use of used motor vehicles. Thus, the Attorney General and Director commence this action to remedy and seek redress for these violations.

### **PARTIES AND JURISDICTION**

3. The Attorney General is charged with the responsibility of enforcing the CFA, N.J.S.A. 56:8-1 et seq., and the CFA Regulations promulgated thereunder, N.J.A.C. 13:45A-1.1 et seq. The Director is charged with the responsibility of administering the CFA and the CFA Regulations on behalf of the Attorney General.

4. By this action, the Attorney General and Director (collectively, "Plaintiffs") seek injunctive and other relief for violations of the CFA and the CFA Regulations. Plaintiffs bring this action pursuant to their authority under the CFA, specifically N.J.S.A. 56:8-8, 56:8-11, 56:8-13 and 56:8-19. Venue is proper in Middlesex County, pursuant to R. 4:3-2, because it is a county in which at least some of the defendants have advertised and/or conducted business and maintained a principal place of business.

5. Fords National Auto Mart, Inc. ("Sansone Ford") is a corporation established in this State on January 31, 1978. At all relevant times, Sansone Ford has maintained a principal business address of 900 Route 35, Ocean, New Jersey 07712. At varying times since October 3, 2006, Sansone Ford was registered to conduct business in the State under alternate names, which include "Sansone Ford Lincoln Mercury".

6. The registered agent in the State for Sansone Ford is Marguerite Walsh, 900 Route 35, Ocean, New Jersey 07712. At all relevant times, the President of Sansone Ford has been Paul J. Sansone.

7. Paladin Chevrolet, Inc. ("Sansone Chevrolet") is a corporation established in this State on September 17, 1980. At all relevant times, Sansone Chevrolet has maintained a principal business address of 100 Route 1, Avenel, New Jersey 07001. At varying times since July 26, 1995, Sansone Chevrolet was registered to conduct business in the State under the alternate name of "Sansone Chevrolet".

8. At all relevant times, the President of Sansone Chevrolet has been Paul J. Sansone, Sr.

9. Sansone Plaza Dodge, Inc. ("Sansone Dodge") is a corporation established in this State on October 10, 1991. At all relevant times, Sansone Dodge has maintained a principal business address of 900 Route 35, Ocean, New Jersey 07712. At varying times since July 26, 1995, Sansone Dodge was registered to conduct business in the State under the alternate name of "Sansone Dodge".

10. The registered agent in the State for Sansone Dodge is Marguerite Walsh, 900 Route 35, Ocean, New Jersey 07712. At all relevant times, the President of Sansone Dodge has been Paul J. Sansone, Jr.

11. Motors Management Corp. ("Route 1 Auto Mall") is a corporation established in this State on September 17, 1980. At all relevant times, Route 1 Auto Mall has maintained a principal business address of 100 Route 1, Avenel, New Jersey 07001. At varying times since September 6, 2001, Route 1 Auto Mall was registered to conduct business in the State under the alternate name of "Sansone's Route 1 Auto Mall".

12. At all relevant times, the President of Route 1 Auto Mall has been Paul J. Sansone, Sr.

13. Upon information and belief, John and Jane Does 1 through 20 are fictitious individuals meant to represent the owners, officers, directors, shareholders, founders, managers, agents, servants, employees, representatives and/or independent contractors of Sansone Ford, Sansone Chevrolet, Sansone Dodge and/or Route 1 Auto Mall who have been involved in the conduct that gives rise to this Complaint, but are heretofore unknown to the Plaintiffs. As these defendants are identified, Plaintiffs shall amend the Complaint to include them.

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

15. Sansone Ford, Sansone Chevrolet, Sansone Dodge and/or Route 1 Auto Mall are collectively referred to as "Defendants".

#### **GENERAL ALLEGATIONS**

16. Since at least 2003, Defendants have operated motor vehicle dealerships in this State and have engaged in the retail sale and/or lease of new and used motor vehicles.

17. At all relevant times, Defendants have operated an informational website at [www.sansoneauto.com](http://www.sansoneauto.com) ("Sansone Website"). The Sansone Website promotes the "Sansone Auto Network", of which Defendants are members. The Sansone Website also includes links to the individual dealerships, and offers new and used vehicles for sale

18. At all relevant times, the Sansone Auto Network has offered used vehicles for sale through the Sansone Website, as well as [www.ebay.com](http://www.ebay.com) and [www.autotrader.com](http://www.autotrader.com).

19. On April 6, 2004, Sansone Dodge and Sansone Chevrolet entered into a Consent Order with the New Jersey Division of Consumer Affairs (“Division”). At that time, Sansone Plaza Dodge and Sansone Chevrolet were similarly engaged in the retail sale or lease of new or used motor vehicles. The Division alleged that Sansone Dodge and Sansone Chevrolet violated the CFA as well as the Regulations Governing Motor Vehicle Advertising Practices, N.J.A.C. 13:45A-26A.1 et seq. (“Motor Vehicle Advertising Regulations”).

20. As reflected in the Consent Order, Sansone Dodge and Sansone Chevrolet agreed to not to engage in any deceptive practices in violation of the CFA and the Motor Vehicle Advertising Regulations, including failing “to disclose, prior to sale, any prior use of a motor vehicle” and failing “to disclose that a motor vehicle has been previously damaged and/or that substantial repair or body work has been performed.” Without admitting liability, Sansone Dodge and Sansone Chevrolet agreed to pay consumer restitution in the amount of \$30,813.63, to pay a civil penalty of \$85,000.00 pursuant to N.J.S.A. 56:8-13, and to reimburse the Division’s investigative and other costs in the amount of \$5,000 pursuant to N.J.S.A. 56:8-11. As further reflected in the Consent Order, Sansone Plaza Dodge and Sansone Chevrolet acknowledged that any future violation of the Consent Order or the CFA would be a second and subsequent violation subject to enhanced penalties under N.J.S.A. 56:8-13.

### COUNT I

#### **VIOLATION OF THE CFA BY DEFENDANTS (KNOWING OMISSIONS OF MATERIAL FACT)**

21. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 20 above as if more fully set forth herein.

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

The act, use or employment by any person of any unconscionable commercial practice, deception, fraud, false pretense, false promise, misrepresentation, or the knowing concealment, suppression, or omission of any material fact with intent that others rely upon such concealment, suppression or omission, in connection with the sale or advertisement of any merchandise. . .

23. Since at least 2003, Defendants, through their owners, officers, directors, shareholders, founders, managers, agents, servants, employees, representatives and/or independent contractors, have entered into or have attempted to enter into various retail transactions with consumers in this State and elsewhere for the sale of used motor vehicles.

24. In so doing, Defendants, through their owners, officers, directors, shareholders, founders, managers, agents, servants, employees, representatives and/or independent contractors, have engaged in knowing concealment, suppression or omission of material facts.

25. Such unlawful acts, in violation of the CFA include, but are not limited, to the following:

- a. Failing to disclose to consumers any prior damage to used motor vehicles offered for sale;
- b. Failing to disclose to consumers the prior use of used motor vehicles offered for sale; and
- c. Failing to disclose to consumers that the price posted for used motor vehicles did not include licensing costs, registration fees and taxes.

26. Each knowing omission of material fact by Defendants constitutes a separate violation of the CFA, N.J.S.A. 56:8-2.

**COUNT II**

**VIOLATION OF THE MOTOR VEHICLE  
ADVERTISING REGULATIONS BY DEFENDANTS  
(FAILURE TO MAKE THE REQUIRED DISCLOSURES)**

27. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 26 above as if more fully set forth at length herein.

28. The Motor Vehicle Advertising Regulations N.J.A.C. 13:45A-26A.1 et seq., address, among other things, general advertising practices concerning motor vehicles offered for sale or lease in the State.

29. First, the Motor Vehicle Advertising Regulations set forth certain mandatory disclosure requirements for advertisements for the sale of used motor vehicles. Specifically, N.J.A.C. 13:45A-26A.5(b) addresses the required disclosures for used motor vehicles and provides, in pertinent part:

(b) In any advertisement offering for sale a used motor vehicle at an advertised price, the information described in (a)1,2,4,5 and 6 above must be included, as well as the following additional information:

2. The nature of prior use unless previously and exclusively owned or leased for individuals for their personal use, when such prior use is known or should have been known by the advertiser.

[N.J.A.C. 13:45A-26A.5(b)(2).]

30. Second, the Motor Vehicle Advertising Regulations provides that an advertisement include the following:

2. A statement that 'price(s) include(s) all costs to be paid by a consumer, except for licensing costs, registration fees, and taxes'. If this statement appears as a footnote, it must be set

forth in at least 10 point type. For purposes of this subsection, 'all costs to be paid by a consumer' means manufacturer-installed options, freight, transportation, shipping, dealer preparation, and any other costs to be borne by a consumer except licensing costs, registration fees, and taxes.

[N.J.A.C. 13:45A-26A.5(a)(2).]

31. Third, the Motor Vehicle Advertising Regulations prohibit certain advertising practices and provide, in pertinent part:

- (a) In any type of motor vehicle advertising, the following practices shall be unlawful:

.....

7. The failure to disclose that the motor vehicle had been previously damaged and that substantial repair or body work has been performed on it when such prior repair or body work is known or should have been known by the advertiser; for purposes of this subsection, "substantial repair or body work" shall mean repair or body work having a retail value of \$1,000 or more;

[N.J.A.C. 13:45A-26A.7(a)7.]

32. Defendants' conduct in violation of the Motor Vehicle Advertising Regulations includes, but is not limited to, the following:

- a. In their internet advertisements, failing to disclose that a used motor vehicle was previously registered and used as a rental car or corporate fleet vehicle;
- b. In their internet advertisements, failing to disclose that advertised motor vehicles were previously damaged and were subjected to substantial repair and body work; and
- c. In their internet advertisements, failing to include the statement that "price(s) include(s) all costs to be paid by the consumer, except for licensing costs, registration fees, and taxes" (N.J.A.C. 13:45A-26A.5(a)2).

33. Defendants' conduct constitutes multiple violations of the Motor Vehicle Advertising Regulations, N.J.A.C. 13:45A-26A.5(b)(2) and N.J.A.C. 13:45A-26A.7(a)(7), each of which constitutes a per se violation of the CFA, N.J.S.A. 56:8-2.

### **COUNT III**

#### **VIOLATION OF THE CONSENT ORDER BY SANSONE DODGE AND SANSONE CHEVROLET**

34. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 33 above as if more fully set forth at length herein.

35. Pursuant to the Consent Order, Sansone Dodge and Sansone Chevrolet "agree[d] that any future violations of the injunctive provisions of this Consent Order and/or the CFA by [Respondents] shall constitute a second or succeeding violation pursuant to N.J.S.A. 56:8-13 and that Respondents might be subjected to enhanced penalties upon a Court's finding that Respondents have committed a violation of the injunctive provisions of this Consent Order and/or the CFA."

36. As set forth herein, Sansone Dodge and Sansone Chevrolet continue to engage in acts and practices in violation of the CFA, the Motor Vehicle Advertising Regulations and the terms of the Consent Order.

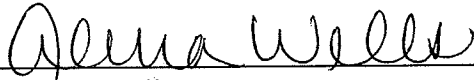
37. Such conduct constitutes second and subsequent violations of the CFA subject to a penalty of up to \$20,000 per violation pursuant to N.J.S.A. 56:8-13.

## PRAYER FOR RELIEF

WHEREFORE, based upon the foregoing allegations, the Plaintiffs respectfully request that the Court enter judgment against Defendants:

- (a) Finding that the acts and omissions of Defendants constitute multiple instances of unlawful practices in violation of the CFA, N.J.S.A. 56:8-1 et seq., and the Motor Vehicle Advertising Regulations, N.J.A.C. 13:45A-26A.1 et seq.;
- (b) Finding that the acts and omissions of Sansone Dodge and Sansone Chevrolet constitute multiple instances of unlawful practices in violation of the CFA, N.J.S.A. 56:8-1 et seq., and the Motor Vehicle Advertising Regulations, N.J.A.C. 13:45A-26A.1 et seq., and as such, violate the injunctive provisions of the Consent Order;
- (c) Permanently enjoining Defendants and their owners, officers, directors, shareholders, founders, managers, agents, servants, employees, representatives, corporations, subsidiaries, affiliates, successors, assigns and all other persons or entities directly under their control, from engaging in, continuing to engage in, or doing any acts or practices in violation of the CFA, N.J.S.A. 56:8-1 et seq., and the Motor Vehicle Advertising Regulations, N.J.A.C. 13:45A-26A.1 et seq.;
- (d) Directing the assessment of restitution amounts against Defendants, jointly and severally, to restore to any affected person, whether or not named in this Complaint, any money or real or personal property acquired by means of any practice alleged herein to be unlawful and found to be unlawful, as authorized by the CFA, N.J.S.A. 56:8-8;
- (e) Assessing the maximum statutory civil penalties against Defendants, jointly and severally, for each and every violation of the CFA, in accordance with N.J.S.A. 56:8-13;
- (f) Directing the assessment of costs and fees, including attorneys' fees, against Defendants, jointly and severally, for the use of the State of New Jersey, as authorized by the CFA, N.J.S.A. 56:8-11 and N.J.S.A. 56:8-19; and
- (g) Granting such other relief as the interests of justice may require.

ANNE MILGRAM  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for Plaintiffs

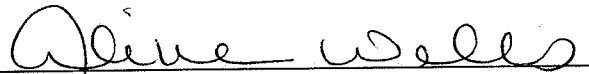
By:   
Alina Wells  
Deputy Attorney General

Dated: January 16, 2009  
Newark, New Jersey

**RULE 4:5-1 CERTIFICATION**

I certify, to the best of my information and belief, that the matter in controversy in this action involving the aforementioned violations of the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq., and the Motor Vehicle Advertising Regulations, N.J.A.C. 13:45A-26A.1 et seq., is not the subject of any other action pending in any other court of this State. I am aware that private contract and other actions have been brought against the Defendants, but have no direct information that any such actions involve consumer fraud allegations. I further certify that the matter in controversy in this action is not the subject of a pending arbitration proceeding in this State, nor is any other action or arbitration proceeding contemplated. I certify that there is no other party who should be joined in this action at this time.

ANNE MILGRAM  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for Plaintiffs

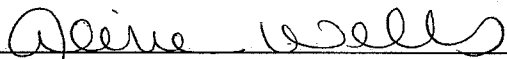
By:   
Alina Wells  
Deputy Attorney General

Dated: January 16, 2009  
Newark, New Jersey

**DESIGNATION OF TRIAL COUNSEL**

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

ANNE MILGRAM  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for Plaintiffs

By:   
Alina Wells  
Deputy Attorney General

Dated: January 16, 2009  
Newark, New Jersey