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SUPERIOR COURT BERGEN COUNTY  
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SUPERIOR COURT OF NEW JERSEY  
CHANCERY DIVISION, BERGEN COUNTY  
DOCKET NO. BER- C-225-12

JEFFREY S. CHIESA, Attorney General of the State  
of New Jersey, and ERIC T. KANEFSKY, Acting  
Director of the New Jersey Division of Consumer  
Affairs,

Plaintiffs,

v.

AAA RELIABLE, INC. d/b/a RELIABLE, INC.;  
OLD RELIABLE CONSTRUCTION LIMITED  
LIABILITY COMPANY a/k/a OLD RELIABLE  
CONSTRUCTION and d/b/a RELIABLE, INC.; A  
SAFEWAY IMPROVEMENTS, INC.; A SAFEWAY  
CONSTRUCTION, INC.; A SAFEWAY  
CONSTRUCTION, LLC; SULEJMAN LITA a/k/a  
SUL LITA; LIMAN LITA a/k/a LEE LITA; JANE  
AND JOHN DOES 1-20, individually and as owners,  
officers, directors, shareholders, founders, managers,  
agents, servants, employees, representatives and/or  
independent contractors of AAA RELIABLE, INC.,  
OLD RELIABLE CONSTRUCTION LIMITED  
LIABILITY COMPANY, A SAFEWAY  
IMPROVEMENTS, INC., A SAFEWAY  
CONSTRUCTION, INC., and A SAFEWAY  
CONSTRUCTION, LLC; and XYZ  
CORPORATIONS 1-20,

Defendants.

Civil Action

FIRST AMENDED  
VERIFIED COMPLAINT

Plaintiffs Jeffrey S. Chiesa, Attorney General of the State of New Jersey (“Attorney General”), with offices located at 124 Halsey Street, Fifth Floor, Newark, New Jersey, and Eric T. Kanefsky, Acting Director of the New Jersey Division of Consumer Affairs (“Director”), with offices located at 124 Halsey Street, Seventh Floor, Newark, New Jersey, by way of First Amended Verified Complaint state:

**PRELIMINARY STATEMENT**

1. Without doubt, home improvements are a necessary expenditure for consumers, who usually lack the expertise and equipment to perform such work. Particularly in these difficult economic times, contractors compete for business, and consumers seek the best value. Thus, consumers might very well select a contractor based upon “coupon” advertisements for selected services at a specified price. Among the most significant repairs are those to a chimney, which may be the traditional wood-burning chimney as well as appliance chimneys that are used to vent exhaust and fumes from hot water heaters and furnaces. When chimney repairs are performed in a substandard manner, a consumer’s safety, health and well-being might very well be adversely impacted. Additionally, as chimney problems are generally difficult to identify, most consumers are reliant upon contractors to properly identify the work to be performed, as well as to ensure that the work is performed in a proper manner with the proper materials. To assist in this process, permits are required prior to the commencement of such work and, upon completion, an inspection must be conducted to ensure that the work was properly performed.

2. At all relevant times, defendants AAA Reliable, Inc. d/b/a Reliable, Inc. (“AAA Reliable”), Old Reliable Construction Limited Liability Company a/k/a Old Reliable Construction and d/b/a Reliable, Inc. (“Old Reliable Construction”), A Safeway Improvements, Inc. (“A Safeway Improvements”), A Safeway Construction, Inc., A Safeway Construction, LLC, Sulejman Lita a/k/a

Sul Lita (“S. Lita”) and Liman Lita a/k/a Lee Lita (“L. Lita”) (collectively, “Defendants”), were engaged in the advertisement, offering for sale, sale and performance of various home improvements, particularly chimneys, roofing and gutter cleaning, in the State of New Jersey (“State” or “New Jersey”) and elsewhere via the Internet and direct mailings. In doing so, Defendants have lured consumers through coupon advertisements for specific services (e.g. gutter cleaning, chimney cleaning) at attractive prices (\$29.99, \$49.99) and with “Senior Citizen Discounts.” Once in the homes of consumers – many of whom are senior citizens – Defendants engaged in high pressure sales tactics and made proclamations of imminent health and safety risks to induce consumers into purchasing expensive chimney repairs costing as much as \$20,000. In several instances, the need for a rebuilt chimney and other work appears attributable to Defendants’ own actions in damaging or destroying the consumer’s chimney. In many instances, Defendants failed to perform the contracted for work, performed unnecessary repairs and/or performed the contracted for work in an improper manner and/or at an excessive price. Of further significance is the fact that Defendants performed work without the requisite permits, failed to inform consumers that a municipal permit was required prior to commencing work and/or failed to inform consumers that a post-work inspection was required, all of which would have ensured that Defendants’ work, whether necessary or not, was properly performed.

3. Defendants’ conduct constitutes multiple violations of the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq. (“CFA”), the Contractors’ Registration Act, N.J.S.A. 56:8-136 et seq., and the regulations promulgated thereunder, specifically the Regulations Governing Contractor Registration, N.J.A.C. 13:45A-17.1 et seq. (“Contractor Registration Regulations”), the Regulations Governing Home Improvement Practices, N.J.A.C. 13:45A-16.1 et seq. (“Home Improvement Regulations”), and the Regulations Governing General Advertising, N.J.A.C. 13:45A-9.1 et seq.

("Advertising Regulations"). The Attorney General and Director submit this First Amended Verified Complaint to halt Defendants' deceptive business practices, prevent any additional consumers from being harmed and to preserve Defendants' records and assets, among other things, to provide for consumer restitution.

#### **PARTIES AND JURISDICTION**

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

5. By this action, the Attorney General and Director (collectively, "Plaintiffs") seek injunctive relief and other relief for violations of the CFA, the Contractors' Registration Act, the Contractor Registration Regulations, the Home Improvement Regulations and the Advertising 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 Bergen County, pursuant to R. 4:3-2, because it is a county in which the Defendants have maintained a business address and otherwise conducted business.

6. On June 5, 2003, AAA Reliable was established as a Domestic For-Profit Corporation in the State. Upon information and belief, at all relevant times, AAA Reliable has maintained business and mailing addresses of: 231 Union Boulevard, Totowa, New Jersey 07512; 25 Lincoln Avenue, Fair Lawn, New Jersey 07410 ("25 Lincoln Avenue"); 5 Sicomac Road, Suite 354, North

Haledon, New Jersey 07508 (“5 Sicomac Road”); and 223 Wayfair Circle, Franklin Lakes, New Jersey 07417 (“223 Wayfair Circle”).

7. S. Lita is AAA Reliable’s Chief Executive Officer, with a mailing address of 223 Wayfair Circle.

8. AAA Reliable’s registered agent in the State is Nicholas A. Lucarella (“N. Lucarella”), with a mailing address of 400 Clifton Avenue, Clifton, New Jersey 07011 (“400 Clifton Avenue”).

9. On February 12, 2008, Old Reliable Construction was established as a Limited Liability Company in the State. Upon information and belief, at all relevant times, Old Reliable Construction has maintained a business and mailing address of 25 Lincoln Avenue.

10. L. Lita is Old Reliable Construction’s Managing Member, with a mailing address of 71 Ahnert Road, North Haledon, New Jersey 07410 (“71 Ahnert Road”).

11. Old Reliable Construction’s registered agent in the State is NA Lucarella Inc., with a mailing address of 400 Clifton Avenue.

12. Upon information and belief, Defendants have also conducted business using the name “Reliable, Inc.” Reliable, Inc. is registered as a corporation in New Jersey, but appears to have no connection to the Defendants.

13. On February 12, 2009, A Safeway Improvements was established as a Domestic For-Profit Corporation in the State. Upon information and belief, at all relevant times, A Safeway Improvements has maintained a business and mailing address of 25 Lincoln Avenue.

14. A Safeway Improvement’s Directors are S. Lita, with a mailing address of 14 Chestnut Avenue, North Haledon, New Jersey 07508-2313 (“14 Chestnut Avenue”) and Greg Altamuro, with a mailing address of 228 Mabel Place, Franklin Lakes, New Jersey 07417.

15. A Safeway Improvement's registered agent in the State is N. Lucarella, with a mailing address of 400 Clifton Avenue.

16. On August 2, 2012, A Safeway Construction, Inc. was established as a Domestic For-Profit Corporation in the State. Upon information and belief, at all relevant times, A Safeway Construction, Inc. has maintained business and mailing addresses of 25 Lincoln Avenue and 155 Penobscot Street, Clifton, New Jersey 07013 ("155 Penobscot Street").

17. A Safeway Construction, Inc.'s sole Director is John A. Nelson ("Nelson"), with a mailing address of 155 Penobscot Street.

18. A Safeway Construction, Inc.'s registered agent in the State is Nelson, with a mailing address of 155 Penobscot Street.

19. On September 5, 2007, A Safeway Construction, LLC was established as a Domestic Limited Liability Company in the State.

20. The Certificate of Formation for A Safeway Construction, LLC does not list a business address, mailing address or Managing Member.

21. A Safeway Construction, LLC's registered agent in the State is L. Lita, with a mailing address of 1040 McBride Avenue, West Paterson, New Jersey 07424 ("1040 McBride Avenue").

22. On April 16, 2010, A Safeway Construction, LLC's registration with the State as a Limited Liability Company was revoked due to failure to pay annual report payments.

23. Upon information and belief, at all relevant times, S. Lita has been an owner, Chief Executive Officer, President, Director, officer, manager, director, employee, representative and/or agent of AAA Reliable, Old Reliable Construction, A Safeway Improvements, A Safeway Construction, Inc. and A Safeway Construction, LLC, and has controlled, directed and participated in the management and operation of those entities.

24. Upon information and belief, at varying times, S. Lita has maintained business and/or mailing addresses of: 25 Lincoln Avenue; 5 Sicomac Road; 223 Wayfair Circle; 14 Chestnut Avenue; 11 Chestnut Avenue, North Haledon, New Jersey 07508-2313; 175 Palisade Avenue, Cliffside Park, New Jersey 07010-1211; and 1196 High Mountain Road, North Haledon, New Jersey 07508 ("1196 High Mountain Road").

25. Upon information and belief, at all relevant times, L. Lita has been an owner, Chief Executive Officer, President, Managing Member, officer, manager, director, employee, representative and/or agent of AAA Reliable, Old Reliable Construction, A Safeway Improvements, A Safeway Construction, Inc. and A Safeway Construction, LLC, and has controlled, directed and participated in the management and operation of those entities.

26. Upon information and belief, at varying times, L. Lita has maintained business and/or mailing addresses of: 71 Ahnert Road; 25 Lincoln Avenue; 5 Sicomac Road; 223 Wayfair Circle; 1040 McBride Avenue; 175 Palisade Avenue, Cliffside Park, New Jersey 07010-1211; 1196 High Mountain Road; and 960 Belmont Avenue, North Haledon, New Jersey 07508.

27. John and Jane Does 1 through 10 are fictitious individuals meant to represent the owners, officers, directors, shareholders, founders, managers, agents, servants, employees, and/or representatives of AAA Reliable, Old Reliable Construction, A Safeway Improvements, A Safeway Construction, Inc. and/or A Safeway Construction, LLC who have been involved in the conduct that gives rise to this First Amended Verified Complaint, but are heretofore unknown to Plaintiffs. As these defendants are identified, Plaintiffs shall amend the First Amended Verified Complaint to include them.

28. XYZ Corporations 1 through 10 are fictitious corporations meant to represent any additional business entities who have been involved in the conduct that gives rise to the First

Amended Verified Complaint, but are heretofore unknown to Plaintiffs. As these defendants are identified, Plaintiffs shall amend the First Amended Verified Complaint to include them.

**GENERAL ALLEGATIONS COMMON TO ALL COUNTS**

29. Since at least June 2006, Defendants have been engaged in the advertisement, offering for sale, sale and performance of home improvements in the State including, but not limited to, chimneys, roofing and gutter cleaning.

**A. AAA Reliable Advertisements Generally:**

30. At varying times, Defendants maintained a website at [www.aaareliable.com](http://www.aaareliable.com) through which they advertised home improvements including, but not limited to: (a) chimneys – repaired, rebuilt, relined, cleaned and capped; (b) roofing – installation, repairs and leaks; and (c) gutters – cleaned, repaired, screened and installed (“AAA Reliable Website”).

31. The AAA Reliable Website indicates “NJ, PA & NY” and states that “AAA Reliable Inc. is a family owned and operated company for the past 30 years.” The AAA Reliable Website also states “Available Senior Citizen Discounts and Financing.”

32. The AAA Reliable Website includes coupons, among other things, for “\$49.99 Gutter Cleaning Average Size House,” “\$29.99 Chimney & Fireplace Cleaning” and “\$49.99 Chimney Rain Caps With Chimney Cleaning.”

33. The AAA Reliable Website also indicates that AAA Reliable has offices in Bergen, Passaic, Essex, Morris, Hudson, Union, Somerset, Middlesex, Monmouth, Mercer, Ocean, Camden, Burlington, Atlantic Counties in New Jersey; offices in New York City, Bronx, Brooklyn, Queens, Staten Island, Westchester and Rockland Counties in New York; and offices in Philadelphia and Bucks County in Pennsylvania.



34. Pursuant to the Home Improvement Consumer Protection Act, 73 P.S. §517.1 et seq., all contractors in Pennsylvania are required to register with the State's Bureau of Consumer Protection, Office of the Attorney General.

35. New York City Administrative Code §20-385 et seq., Laws of Rockland County §286-1 et seq., and Westchester County Consumer Protection Code §863.311 et seq. provide that no person shall conduct a home improvement business without being licensed.

36. At all relevant times, neither AAA Reliable nor Old Reliable Construction were licensed/registered as a home improvement contractor in Rockland County, Westchester County, New York City or Pennsylvania.

37. The AAA Reliable Website further indicates that AAA Reliable is a member of the National Chimney Sweep Guild ("NCSG").

38. As of April 2011, AAA Reliable was a member of the NCSG. As of July 11, 2012, the NCSG revoked the membership of AAA Reliable for a period of two (2) years, until July 11, 2014, arising from a consumer complaint. In so doing, the NCSG directed AAA Reliable to remove all reference to NCSG and NCSG trademarks in any advertising.

39. At least as of 2011, AAA Reliable advertised and solicited business through the Yellow Pages and direct mail marketing such as "ClipperMagazine," SuperCoups" and "Valpak."

40. The Yellow Pages, ClipperMagazine, SuperCoups and Valpak advertisements stated: "Family Owned & Operated For the Past 30 Years!"; "Senior Citizen Discounts"; and "Financing Available." The Yellow Pages, ClipperMagazine, SuperCoups and Valpak advertisements also included coupons for, among other things, "\$49.99 Gutter Cleaning," "\$50 Gutter Cleaning," "\$29.99 Chimney & Fireplace Cleaning," "\$49.99 Chimney & Fireplace Cleaning" and/or "\$49.99 Chimney Rain Caps With Chimney Cleaning."

41. At least up to August 2012, AAA Reliable was advertising through Valpak.

42. AAA Reliable's Yellow Pages advertisement also references "Better Business Bureau" and "Consumer Affairs." In January 2012, AAA Reliable's Valpak advertisement included a reference to "BBB Accredited Business." As of June 28, 2012, AAA Reliable's SuperCoups advertisement included a reference to "BBB Accredited Business."

43. AAA Reliable is not, and never has been a BBB accredited business. According to the BBB website, AAA Reliable maintains an "F" rating, which is attributable to a number of factors, which include the fact that "[t]his business has a history of violating BBB name and logo policy and has falsely stated BBB accreditation or referenced the BBB name in an unauthorized manner." On or about August 5, 2010, the BBB contacted S. Lita to insist that he immediately remove the trademark or reference to the BBB from all printed materials.

**B. A Safeway Advertisements Generally:**

44. At all relevant times, Defendants maintained a website at [www.asafewayconstruction.com](http://www.asafewayconstruction.com) through which they advertised home improvements including, but not limited to repairs and other work to chimneys, roofing, gutters and masonry ("A Safeway Website").

45. The A Safeway Website does not reference a home improvement contractor registration number with the State.

46. The whois.com search for the A Safeway Website indicates that the registrant is A Safeway Construction, LLC, with a mailing address of 25 Lincoln Road.

47. The A Safeway Website indicates that "A-Safeway is a locally owned company with over 25 years in roofing" and "Over 15 years experience in New Jersey," although neither A

Safeway Improvements, A Safeway Construction, Inc. nor A Safeway Construction, LLC existed before 2007.

48. The A Safeway Website has included the phone numbers 888-488-8809 and 973-427-0099, the address 155 Penobscot Street and the e-mail address [safeway90@yahoo.com](mailto:safeway90@yahoo.com).

49. The A Safeway Website has included a notation at the bottom of each page which states: "A Safeway Construction."

50. Defendants have advertised home improvements under the name "Safeway" in the direct mail advertising magazine "Morris County Home & Décor Ideas, NJ." Such advertisements included the phone number 888-488-8809, the address for the A Safeway Website and the home improvement contractor registration number for an apparently unrelated company, Devine Flooring & Home Improvements, LLC.

51. Defendants have advertised home improvements under the name "Safeway" in the direct mail advertising magazine "Direct Advantage Magazine." Such advertisements included the phone number 888-283-0414, the address for the A Safeway Website and the home improvement contractor registration number for A Safeway Improvements.

52. Defendants have advertised home improvements under the name "Safeway" in the newsletter for the Cathedral Basilica of the Sacred Heart, (located at 89 Ridge Street, Newark). Such advertisements included the phone number 888-488-8809 and the address for the A Safeway Website, but failed to include a home improvement contractor registration number.

53. Defendants have advertised home improvements under the name "Safeway" in the Clipper Magazine. Such advertisements included the phone number 888-488-8809, the address for the A Safeway Website and the home improvement contractor registration number for A Safeway Improvements.

54. Defendants have also advertised home improvements under the name "Safeway" in Clipper Magazine, again with the phone number 888-488-8809, the address for the A Safeway Website, but with the notation "A-Safeway Construction Inc. DBA SAFEWAY" [emphasis in original] and the home improvement contractor registration number for A Safeway Construction, Inc.

55. Defendants have advertised home improvements under the name Safeway in the Verizon SuperPages. Such advertisements included the phone numbers 888-488-8809, 201-332-9080 and 973-427-0099 and the address for the A Safeway Website, but failed to include a home improvement contractor registration number.

56. The Verizon SuperPages advertisement for Safeway includes a reference to "Senior Discounts."

57. Defendants have advertised home improvements under the name "Safeway" in SuperCoups. Such advertisements included the phone number 888-803-7064, the address for the A Safeway Website and the home improvement contractor registration number for A Safeway Improvements.

58. The SuperCoups advertisements for "Safeway" state "10% Discount for Senior Citizens, Veterans, Law Enforcement Agents."

59. Defendants have advertised home improvements under the name "Safeway" in Valpak. Such advertisements included the phone number 888-324-2706, the address for the A Safeway Website and the home improvement contractor registration number for A Safeway Improvements.

60. The Direct Advantage Magazine, Clipper Magazine and Valpak advertisements for "Safeway" includes coupons, among other things, for "CHIMNEY RAIN CAPS installed \$49.99

with chimney cleaning,” “GUTTER CLEANING starting at only \$49.99” and “CHIMNEY AND FIREPLACE CLEANING \$29.99.” The SuperCoups advertisements for “Safeway” include similar coupons.

61. At various times, Defendants’ advertisements bearing the name “Safeway” included the statement: “Serving all of New Jersey and the 5 NY Boroughs.” However, upon information and belief, Defendants are not licensed to perform or sell home improvements in New York City under the name “Safeway” or any variation thereof.

**C. Defendants’ High Pressure Sales Tactics:**

62. Many consumers contacted Defendants in response to their advertised coupons for specific services (e.g. chimney cleaning, gutter cleaning) to be performed at an advertised price (i.e. \$29.99, \$49.99, \$50).

63. At varying times, Defendants told consumers that they could not perform the advertised services at the advertised price and would charge a significantly higher price for the service (e.g. advertised \$50 gutter cleaning would actually cost \$170).

64. At varying times, Defendants arrived at consumers’ homes to perform a simple and routine repair (e.g. gutter cleaning, chimney cleaning, replacement of chimney cap), went onto the roof of the consumers’ homes and returned to tell the consumers that they had a serious problem with their chimney (e.g. pipe was rusted, liner had to be replaced, chimney was deteriorating).

65. At varying times, Defendants engaged in high pressure sales tactics once they were in the homes of consumers, some of whom were elderly or with young children, in order to convince them to agree to expensive repairs beyond a simple chimney cleaning or sweeping or gutter cleaning.

66. Defendants' high pressure sales tactics included: (a) telling consumers that if they did not have their chimney repaired it would cause a carbon monoxide leak; and (b) telling consumers that their chimneys were falling apart and needed to be rebuilt.

67. On at least a few occasions, consumers observed Defendants on the roofs of their homes, pushing or shaking their chimneys and, as such, damaging the structures.

68. On at least a few occasions, consumers who were in their homes while Defendants were on the roofs heard very loud banging noises coming from the roof area and/or thereafter discovered that bricks from the chimney fell on the ground. Defendants then stated that extensive, expensive chimney repairs (e.g. chimney rebuild) were necessary.

69. On at least a few occasions, consumers who were subjected to these tactics then felt compelled to hire Defendants to rebuild their chimneys, at a cost of thousands of dollars.

**D. Defendants' Business Practices Generally:**

70. Pursuant to N.J.A.C. 5:23-2.14:

It is unlawful to construct, enlarge, repair, renovate, alter, reconstruct or demolish a structure, or change the use of a building or structure, or portion thereof . . . without first filing an application with the construction official, or the appropriate subcode official where the construction involves only one subcode, in writing and obtaining the required permit therefor.

71. At varying times, Defendants commenced home improvements without confirming that the requisite State and/or local permits had been obtained.

72. At varying times, Defendants failed to tell consumers that permits would be required for certain work (e.g. installation of chimney liner, reconstruction of chimney).

73. At varying times, Defendants obtained permits after the contracted for work was performed.

74. At varying times, the work performed by Defendants did not pass inspection by municipal officials.

75. Upon information and belief, Defendants always obtained full payment from consumers prior to the municipal inspection of their work.

76. In at least one instance, a Construction Violation and penalty were issued to Defendants for installing a chimney liner without a permit.

77. At varying times, Defendants performed home improvements in a substandard manner and failed to make the necessary corrective repairs including, but not limited to: (a) roof repair/installation, after which the roof leaked, but which Defendants refused to fix; (b) improper chimney repair constituting a potential fire and safety hazard, but which Defendants refused to fix; and (c) improper gutter cleaning resulting in damaged gutter guards, which Defendants refused to fix.

78. At varying times, Defendants caused damage to a consumer's home while performing home improvements and then failed to fix, clean, or compensate the consumer for the damage (e.g., soot on the carpeting in a consumer's home caused by Defendants walking through her home after working on her furnace).

79. At varying times, consumers obtained estimates from other contractors after Defendants completed their work and, among other things, were told that the amounts Defendants charged were excessive (e.g. consumer obtained two separate estimates of \$4,000 and \$6,000 for chimney repairs for which Defendants had charged \$13,000).

80. At varying times, consumers hired other contractors to inspect the work performed by Defendants, and were told that: (a) the repairs were not necessary; (b) the repairs were performed in a substandard manner; and/or (c) the materials used were substandard or not of the represented

quality (e.g. consumer paid for more expensive stainless steel chimney liner, but Defendants installed an aluminum chimney liner instead).

81. At varying times, when consumers called Defendants about the substandard work, Defendants represented that they would return and make the necessary corrective repairs, but then failed to do so.

82. At varying times, Defendants provided consumers with home improvement guarantees or warranties that were not specific, clear and definite and did not indicate whether there were any applicable exclusions or limitations.

83. At varying times, Defendants sold and performed home improvements through the use of the assumed business name -- Reliable, Inc. -- which Defendants have not registered in the State as a corporation, limited liability company, trade name and/or in any other capacity.

84. In conducting their home improvement business, at varying times, Defendants used the name Reliable, Inc., which was not registered with the Division as a home improvement contractor nor listed as an alternate name for AAA Reliable, the entity that was registered.

85. Upon information and belief, L. Lita was responsible for managing the day-to-day operations of AAA Reliable.

**E. Defendants' Home Improvement Contracts:**

86. At varying times, Defendants provided consumers with home improvement contracts that did not include: (a) a legal name (i.e. use of unregistered assumed business names); (b) a business address; (c) the legal name and/or address of the sales representative or agent who solicited or negotiated the contracts for Defendants; (d) an accurate description, or any description, of the work to be done and the principal products and materials to be used or installed in performance of the contracts; (e) the terms and conditions affecting contract price, including the cost of materials



and the hourly rate for labor; (f) the toll-free telephone number provided by the Director of the Division for consumers making inquiries concerning home improvement contractors; and/or (g) dates for the commencement and/or completion of the home improvement work.

87. At varying times, Defendants provided consumers with home improvement contracts that were not signed on behalf of Defendants and/or the consumers.

88. Defendants provided consumers with home improvement contracts that did not include the "Notice to Consumer" required cancellation notice.

89. Defendants failed to provide consumers with a copy of their certificate of commercial general liability insurance.

90. Home improvement contracts that bore the name "AAA Reliable, Inc." included references to the following: (a) "Bergen: (201) 891-6600"; (b) "Essex: (973) 395-0533"; (c) "Union: (908) 756-9889"; (d) "Somerset: (732) 271-9696"; and (e) "Staten Island: (917) 494-2663."

91. Home improvement contracts that bore the name "Sul Lita / Reliable, Inc." or the name "Sul Lita / AAA Reliable, Inc." included references to the following: (a) "Bergen: (201) 343-9077"; (b) "Essex: (973) 395-0533"; (c) "Union: (908) 756-9889"; (d) "Somerset: (732) 271-9696"; (e) "Passaic: (973) 744-0091"; and (f) "Hudson: (201) 531-1117."

92. Defendants' home improvement contracts and proposals also include an address of "5 Sicomac Road, Suite 354, North Haledon, NJ 07508." However, this address refers to a box that AAA Reliable has maintained at a UPS Store at that location for the last five (5) to seven (7) years.

93. At varying times, Defendants provided consumers with home improvement contracts that bore the name Reliable Inc. and included a reference to the home improvement contractor registration ("HIC Registration") number for AAA Reliable even though Reliable, Inc. was not listed

as an alternate name for AAA Reliable or registered with the Division as a home improvement contractor.

94. Defendants have used home improvement contracts with the name "Safeway," the toll-free phone number 888-488-8809, the e-mail address [safeway90@yahoo.com](mailto:safeway90@yahoo.com), the home improvement contractor registration number for A Safeway Improvements, and references to the following: (a) "Bergen: (201) 332-9080"; (b) "Essex: (973) 427-0099"; (c) "Union: (908) 231-9080"; (d) "Somerset: (732) 899-7020"; (e) "Passaic: (973) 427-2226"; and (f) "Hudson: (201) 332-9080."

95. Upon information and belief, contrary to their contracts and the AAA Reliable Website, Defendants never maintained an office in Passaic, Essex, Morris, Hudson, Union, Somerset, Middlesex, Monmouth, Mercer, Ocean, Camden, Burlington, Atlantic Counties in New Jersey, nor in New York City, Bronx, Brooklyn, Queens, Staten Island, Westchester and Rockland Counties in New York, nor in Philadelphia and Bucks County in Pennsylvania.

**F. AAA Reliable Home  
Improvement Contractor Registration:**

96. On or about September 15, 2005, AAA Reliable submitted to the Division a Home Improvement Contractor Application for Initial Registration ("HIC Registration Application") for registration as a home improvement contractor in the State.

97. Among other things, the HIC Registration Application is signed by "Sul Lita" as the President. Sul Lita was also identified as the applicant in the Disclosure Statement included in the HIC Registration Application.

98. In response to Question 2 of the HIC Registration Application, AAA Reliable did not identify any other names under which it does business (e.g. Reliable, Inc., Old Reliable Construction).

99. On December 8, 2005, December 19, 2005, and January 12, 2006, the Division sent Deficiency Notices to AAA Reliable based upon: (a) the failure to answer Question 8 – Federal Employer Identification Number (FEIN) and Social Security Number; (b) the failure to answer Question 9 – identification of each person with an ownership interest of 10 percent or more in AAA Reliable; and (c) the failure to answer Question 10 – whether an person with an ownership interest of 10 percent or more in AAA Reliable holds any professional or occupational license, certificate or registration.

100. Thereafter, S. Lita submitted to the Division: (a) page 2 from a blank HIC Registration Application with Question No. 8 completed and Question 9 completed with a reference to “Sul Lita, President” and a business and home address of 223 Wayfair Circle; (b) page 3 from a blank HIC Registration Application with just Question 10 checked “No”.

101. On February 3, 2006, AAA Reliable was registered with the Division as a home improvement contractor and was issued a registration number of 13VH01954000.

102. AAA Reliable annually renewed its HIC Registration, with the most recent renewal occurring on November 8, 2011, effective until December 31, 2012.

**G. A Safeway Improvements  
Home Improvement Contractor Registration:**

103. On or about March 3, 2009, A Safeway Improvements submitted to the Division an HIC Registration Application for registration as a home improvement contractor in the State.

104. Among other things, the HIC Registration Application is signed by “Sul Lita” as the Owner. Sul Lita was also identified as the applicant in the Disclosure Statement included in the HIC Registration Application.

105. In response to Question 2 of the HIC Registration Application, A Safeway Improvements did not identify any other names under which it does business (e.g. A Safeway Construction).

106. In further response to Question 2 of the HIC Registration Application, A Safeway Improvements listed telephone number 888-488-8809 and e-mail address safeway90@yahoo.com.

107. In response to Question 9 of the HIC Registration Application, A Safeway Improvements listed Sul Lita as sole owner.

108. On April 14, 2009, A Safeway Improvements was registered with the Division as a home improvement contractor and was issued a registration number of 13VH05056900.

109. A Safeway Improvements annually renewed its HIC Registration, with the most recent renewal occurring on October 24, 2011, effective until December 31, 2012.

**H. A Safeway Construction, Inc.  
Home Improvement Contractor Registration:**

110. On or about August 16, 2012, an HIC Registration Application was submitted to the Division on behalf of A Safeway Construction, Inc., approximately three (3) weeks after this action was commenced.

111. Among other things, the HIC Registration Application is signed by Nelson as the President, and Nelson is listed as the 100% owner.

112. In response to Question 2 of the HIC Registration Application, A Safeway Construction, Inc. did not identify any other names under which it does business (e.g. A Safeway Improvements).

113. In further response to Question 3 of the HIC Registration Application, A Safeway Construction, Inc. listed telephone number 201-625-5593.

114. In response to the Disclosure Statement portion of the HIC Registration Application, which requested information on whether any owner of A Safeway Construction, Inc. had been convicted of certain enumerated crimes, the response provided was "No."

115. However, Nelson, the sole owner of A Safeway Construction, Inc., has been convicted of one of the enumerated crimes, specifically possession of narcotics.

116. On September 22, 2012, A Safeway Construction, Inc. was registered with the Division as a home improvement contractor and was issued a registration number of 13VH06961200.

117. A Safeway Construction, Inc. renewed its HIC Registration on November 3, 2012, effective until December 31, 2013.

**I. Other Home Improvement Contractor Registrations:**

118. Old Reliable Construction is not and never has been registered as a home improvement contractor in the State.

119. A Safeway Construction, LLC is not and never has been registered as a home improvement contractor in the State.

**J. Connections Between Defendants:**

120. Defendants and their employees/agents have used their various business entities (AAA Reliable, Old Reliable Construction, A Safeway Improvements, A Safeway Construction, Inc. and A Safeway Construction, LLC) in an overlapping and almost interchangeable manner, and the individual Defendants (S. Lita and L. Lita) have failed to differentiate themselves from their corporate entities. Examples are listed below.

121. The A Safeway Website: (a) is registered to A Safeway Construction, LLC; (b) has been listed in advertisements bearing the home improvement contractor registration number for A

Safeway Improvements; and (c) has been listed in advertisements bearing the home improvement contractor registration number for A Safeway Construction, Inc.

122. The exact same "Safeway" logo: (a) has appeared in the A Safeway Website (which as noted above is associated with A Safeway Improvements, A Safeway Construction, Inc. and A Safeway Construction, LLC); (b) has appeared in print advertisements bearing the home improvement contractor registration number for A Safeway Improvements; and (c) has appeared in print advertisements bearing the home improvement contractor registration number for A Safeway Construction, Inc.

123. The phone number 888-488-8809: (a) has been used in print advertisements for A Safeway Improvements, has appeared in the A Safeway Website (which as noted above is associated with A Safeway Improvements, A Safeway Construction, Inc. and A Safeway Construction, LLC); (b) has been used in print advertisements bearing the home improvement contractor registration number for A Safeway Improvements; and (c) has been used in print advertisements bearing the home improvement contractor registration number for A Safeway Construction, Inc.

124. Some of the advertising contracts between Topeka Agency, LLC d/b/a Valpak of New Jersey and AAA Reliable list the business name as "AAA Reliable Inc." but list the business's e-mail address as safeway90@yahoo.com, which e-mail address has appeared in: (a) contracts with the name "Safeway" and the home improvement contractor registration number for A Safeway Improvements; (b) the HIC Registration application for A Safeway Improvements; and (c) in the A Safeway Website (which as noted above is associated with A Safeway Improvements, A Safeway Construction, Inc. and A Safeway Construction, LLC).

125. Some of the advertising contracts between Topeka Agency, LLC d/b/a Valpak of New Jersey and AAA Reliable list the business as "AAA Reliable Inc." but in the margin at the top of the contract state "version w/ safeway."

126. Although S. Lita was identified in AAA Reliable's HIC Registration Application as the owner and president, and in the corporation's Certificate of Formation as the CEO, and no other individuals were listed in either document as a principal or owner, some of the advertising contracts between Topeka Agency, LLC d/b/a Valpak of New Jersey and AAA Reliable: (a) were apparently signed by Nelson with title listed as owner; or (b) were apparently signed by L. Lita with title listed as owner.

127. At varying times, Defendants required consumers to make checks payable directly to "Sul Lita."

128. At varying times, Defendants required consumers to make checks payable directly to "Liman Lita."

129. At varying times, checks made payable to AAA Reliable were deposited into an Old Reliable Construction bank account.

130. The address 155 Penobscot Street: (a) is listed in the formation papers and HIC Registration application for A Safeway Construction, Inc.; and (b) is listed in the A Safeway Website (which as noted above is associated with A Safeway Improvements, A Safeway Construction, Inc. and A Safeway Construction, LLC).

131. Nelson, the listed principal and owner of A Safeway Construction, was photographed for a mug shot wearing a shirt stating "AAA Reliable."

132. The AAA Reliable American Express business account has apparently been used to pay for purely personal expenses such as: (a) karate lessons; and (b) plane tickets for the Lita family to travel to Munich, Germany.

133. This action was commenced on July 27, 2012, and the Order to Show Cause freezing AAA Reliable's assets was filed on August 1, 2012. During the gap in time between this action's commencement and the filing of the Order to Show Cause, \$150,717.06 were withdrawn from AAA Reliable's checking account at Valley National Bank via checks payable to S. Lita and/or L. Lita, including the following: (a) July 30, 2012 – \$50,000 check (No. 71736) to "Liman Lita," possibly signed by Liman Lita; (b) July 31, 2012 – \$12,097.44 check (No. 1838) to "SuLee Liman Lita," signed by Sul Lita; (c) July 31, 2012 – \$25,869.16 check (No. 1839) to "SuLee Liman Lita," signed by Sul Lita; (d) July 31, 2012 – \$27,750.46 check (No. 1841) to "SuLee Liman Lita," signed by Sul Lita; (e) July 31, 2012 – \$10,000 check (No. 71719) to "Liman Lita," possibly signed by Liman Lita; and (f) July 31, 2012 – \$25,000 check (No. 71738) to "Liman Lita," possibly signed by Liman Lita.

134. By the Order to Show Cause, AAA Reliable and Old Reliable Construction were temporarily enjoined and restrained from engaging in the advertisement, offering for sale, sale and performance of home improvements. Such restraints remain in place.

135. On at least two (2) occasions since the issuance of the Order to Show Cause, commercial vans bearing the name "AAA Reliable" and "Roofing Chimneys Gutters Masonry" have been seen on highways in the State.

## COUNT I

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

136. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 135 above as if more fully set forth herein.



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

The act, use or employment by any person of any unconscionable commercial practice, deception, fraud, false pretense, false promise, misrepresentation, or the knowing concealment, suppression, or omission of any material fact with intent that others rely upon such concealment, suppression or omission, in connection with the sale or advertisement of any merchandise or real estate, or with the subsequent performance of such person as aforesaid, whether or not any person has in fact been misled, deceived or damaged thereby...

138. The CFA defines "merchandise" as including "any objects, wares, goods, commodities, services or anything offered, directly or indirectly to the public for sale." N.J.S.A. 56:8-1(c).

139. At all relevant times, Defendants have been engaged in the advertisement and sale of merchandise within the meaning of N.J.S.A. 56:8-1(c), specifically roofing, chimney and gutter repairs.

140. In the operation of their businesses, Defendants have engaged in the use of unconscionable commercial practices, deception, false promises, misrepresentations and/or the knowing omission of material facts.

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

- a. Offering for sale \$49.99 or \$50.00 gutter cleaning, \$29.99 or \$49.99 chimney and fireplace cleaning, and \$49.99 chimney rain caps with chimney cleaning, where the purpose or effect of the offer was not to sell those services, but to bait or entice the buyer into the purchase of other or higher priced services (e.g. installation of chimney liner);
- b. Providing, through advertisements and direct mailings, coupons offering gutter cleaning and chimney services and then failing to provide such services at that price;
- c. Engaging in high pressure sales tactics to frighten and persuade consumers, some of whom were elderly, into purchasing costly chimney repairs or services;

- d. Selling and/or performing unnecessary home improvements (e.g. installation of a new chimney liner);
- e. After arrival at consumers' homes for simple or minor repairs (e.g. gutter cleaning or replacement of chimney cap), causing damage to their chimneys, thus requiring consumers to retain Defendants or others to make expensive repairs;
- f. Commencing work without the necessary governmental permits to perform the contracted-for home improvement;
- g. Performing home improvement work in a substandard manner which resulted in dangerous and/or unsafe conditions for consumers and/or requiring them to hire a second contractor to correct Defendants' work;
- h. Failing to perform home improvement work according to the contract specifications and accepting payment for said work;
- i. Performing home improvements of poor or substandard quality and then failing to make the necessary corrective repairs;
- j. Providing consumers with home improvement guarantees or warranties that were not specific, clear and definite and did not include all exclusions;
- k. Causing damage to a consumer's home while performing home improvements and then failing to fix, clean, or compensate for the damage;
- l. Taking consumers' payments and failing to provide the contracted-for home improvements;
- m. Collecting final payments from consumers prior to the final inspection of home improvement work which required a permit;
- n. Failing to arrange for the required inspection of home improvement work for which a permit should have been issued;
- o. Failing to obtain an inspection certificate upon completion of the home improvement work for which a permit should have been issued;
- p. Requiring complete payment from consumers without providing the requisite inspection certificate;
- q. Making an appointment to go to a consumer's home and then failing to appear at the agreed-upon time or at all;

- r. Refusing to issue a refund when so requested by consumers after Defendants failed to perform the contracted-for home improvement work;
- s. Performing home improvement work under the name Reliable, Inc., which is not registered as a contractor with the Division;
- t. Using another entity's registration number in Defendants' home improvement contracts with consumers (i.e., home improvement contracts bearing the name Reliable, Inc. but including the home improvement contractor registration number for AAA Reliable, Inc.); and
- u. Failing to respond to consumers' telephone calls, inquiries and/or complaints in a timely manner or at all.

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

## COUNT II

### **VIOLATION OF THE CFA BY DEFENDANTS (DECEPTION, FALSE PROMISES, MISREPRESENTATIONS AND KNOWING OMISSIONS OF MATERIAL FACT)**

143. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 142 above as if more fully set forth herein.

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

- a. Representing that Defendants will provide "Gutter Cleaning" for an advertised price (e.g. \$49.99 or \$50.00), and then failing to perform the services for that price;
- b. Representing the condition of a consumer's chimney as dangerous and/or a threat to the consumer's health and safety when such was not the case;
- c. Misrepresenting the character of materials to be used in the home improvement work (e.g. selling stainless steel chimney liner, but installing less expensive aluminum chimney liner);
- d. Representing on the AAA Reliable Website "NJ, PA & NY" when neither AAA Reliable nor Old Reliable Construction are licensed/registered to

lawfully perform home improvement services in Rockland County, Westchester County, New York City or Pennsylvania;

- e. Misrepresenting on the AAA Reliable Website and in advertisements that AAA Reliable is “Family Owned & Operated For the Past 30 Years!”;
- f. Representing on the A Safeway Website and otherwise that “A-Safeway is a locally owned company with over 25 years in roofing” and “Over 15 years experience in New Jersey,” although neither A Safeway Improvements, A Safeway Construction, Inc. nor A Safeway Construction, LLC existed before 2007;
- g. Representing to consumers that Defendants would return to consumers’ homes to perform corrective repairs and then failing to do so;
- h. Misrepresenting that AAA Reliable is a member of the BBB or a BBB accredited business;
- i. Misrepresenting that AAA Reliable is a member of the NCSG;
- j. Including the reference “Consumer Affairs” on AAA Reliable’s Yellow Page advertisement;
- k. Including in home improvement contracts references to “Essex: (973) 395-0533,” “Union: (908) 756-9889,” “Somerset: (732) 271-9696,” “Passaic: (973) 744-0091,” and (f) “Hudson: (201) 531-1117” even though Defendants did not have an office in Essex, Union, Somerset, Passaic and Hudson Counties;
- l. Including in home improvement contracts references to “Essex: (973) 427-0099,” “Union: (908) 231-9080,” “Somerset: (732) 899-7020,” “Passaic: (973) 427-2226,” and “Hudson: (201) 332-9080” even though Defendants did not have an office in Essex, Union, Somerset, Passaic and Hudson Counties;
- m. Misrepresenting in the AAA Reliable Website, that Defendants maintained offices in Passaic, Essex, Morris, Hudson, Union, Somerset, Middlesex, Monmouth, Mercer, Ocean, Camden, Burlington, Atlantic Counties in New Jersey; in New York City, Bronx, Brooklyn, Queens, Staten Island, Westchester and Rockland Counties in New York; and in Philadelphia and Bucks County in Pennsylvania; and
- n. Using a home improvement contractor registration number that had been assigned to another entity (e.g., home improvement contracts bearing the name Reliable, Inc., but including the home improvement contractor registration number for AAA Reliable, advertisements for “Safeway” bearing

the home improvement contractor registration number Devine Flooring & Home Improvements, LLC).

145. Defendants' conduct in violation of the CFA includes, but is not limited to, the following knowing omissions of material fact:

- a. Failing to inform consumers that permits were required for home improvement work prior to the commencement of such work; and
- b. Failing to inform consumers that an inspection was required after completion of home improvement work for which a permit should have been issued.

146. Each act of deception, false promise, misrepresentation and/or knowing omission of material fact by Defendants constitutes a separate violation under CFA, N.J.S.A. 56:8-2.

### COUNT III

#### **VIOLATION OF THE CFA BY DEFENDANTS (BAIT AND SWITCH)**

147. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 146 above as if more fully set forth herein.

148. The CFA prohibits the use of an advertisement of merchandise as part of a plan or scheme not to sell the item or service so advertised or not to sell the same at the advertised price. N.J.S.A. 56:8-2 and N.J.S.A. 56:8-2.2. This practice is commonly known as "bait and switch."

149. Since approximately early 2009, Defendants have engaged in "bait and switch" in violation of N.J.S.A. 56:8-2 and N.J.S.A. 56:8-2.2 by misrepresenting in advertisements and solicitations that they will provide low cost chimney and gutter cleaning and/or repair (i.e. "\$49.99 Gutter Cleaning," "\$50 Gutter Cleaning," "\$29.99 Chimney & Fireplace Cleaning," "\$49.99 Chimney & Fireplace Cleaning" and "\$49.99 Chimney Rain Caps") and then, once inside the consumers' homes or after coming down from their roofs, using high pressure sales tactics to frighten and persuade consumers into purchasing much more costly repairs.

150. Each instance where Defendants advertised and/or solicited chimney, gutter cleaning and/or other repair at an advertised price as part of a plan or scheme neither to sell the advertised services nor to sell the services at the advertised price constitutes a separate violation of the CFA, N.J.S.A. 56:8-2 and N.J.S.A. 56:8-2.2.

#### COUNT IV

#### **VIOLATION OF THE CFA BY DEFENDANTS (SENIOR CITIZEN)**

151. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 150 above as if more fully set forth herein.

152. The CFA provides for additional penalties for pecuniary injury to a senior citizen.

153. At all relevant times, Defendants have included in their Yellow Pages, ClipperMagazine, SuperCoups and Valpak advertisements a reference to “Senior Citizen Discounts” or “10% Discount for Senior Citizens.”

154. At all relevant times, Defendants have entered into home improvement contracts with “senior citizens” within the definition of the CFA, N.J.S.A. 56:8-14.2.

155. At all relevant times, Defendants have caused pecuniary injury to senior citizens within the definition of the CFA, N.J.S.A. 56:8-14.2.

156. The CFA, N.J.S.A. 56:8-14.3 provides:

a. In addition to any other penalty authorized by law, a person who violates the provisions of [the CFA] shall be subject to additional penalties as follows:

- (1) A penalty of not more than \$10,000 if the violation caused the victim of the violation pecuniary injury and the person knew or should have known that the victim is a senior citizen . . . ;  
or
- (2) A penalty of not more than \$30,000 if the violation was part of a scheme, plan, or course of conduct directed at senior citizens . . . in connection with sales or advertisements.

[N.J.S.A. 56:8-14.3(a)(1).]

157. At all relevant times, because of consumers' age and/or appearance, Defendants had actual or constructive knowledge that the consumers were senior citizens. At all relevant times, Defendants solicited directly to senior citizens by offering "Senior Citizen Discounts."

158. Each instance where Defendants engaged in deceptive practices in connection with their sale and/or performance of home improvements to senior citizens entitles Plaintiffs to recovery of additional penalties provided by N.J.S.A. 56:8-14.3.

#### COUNT V

#### **VIOLATION OF THE CFA BY S. LITA AND L. LITA (USING AN UNREGISTERED ASSUMED NAME)**

159. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 158 above as if set forth more fully herein.

160. N.J.S.A. 56:1-2 prohibits a person conducting business under an assumed name that is not registered, and provides, in pertinent part:

No person shall conduct or transact business under any assumed name, or under any designation, name or style, corporate or otherwise, other than the name or names of the individual or individuals conducting or transacting such business, unless such person shall file a certificate in the office of the clerk of the county or counties in which such person conducts or transacts, or intends to transact, such business, together with a duplicate thereof for filing in the office of the Secretary of State, as provided in section 56:1-3 of this Title.

161. Pursuant to N.J.S.A. 56:1-5, corporations are exempted from the requirements of N.J.S.A. 56:1-2.

162. S. Lita and L. Lita have conducted business under an assumed name that he has not registered in the State as a business entity or trade name, specifically Reliable, Inc.

163. S. Lita and L. Lita are not corporations and are not exempt from the requirements of N.J.S.A. 56:1-2.

164. The use by S. Lita and L. Lita of an unregistered assumed business name constitutes an unconscionable commercial practice in violation of the CFA, N.J.S.A. 56:8-2.

#### COUNT VI

#### **VIOLATION OF THE CFA BY DEFENDANTS (SIMULATING A GOVERNMENT AGENCY)**

165. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 164 above as if set forth more fully herein.

166. The CFA prohibits an operation simulating a government agency, as follows:

It shall be an unlawful practice for any person to operate under a name or in a manner which wrongfully implies that such person is a branch of or associated with any department or agency of the Federal Government or of this State or any of its political subdivisions, or use any seal, insignia, envelope, or other format which simulates that of any governmental department or agency.

[N.J.S.A. 56:8-2.1.]

167. In the Yellow Pages advertisement for AAA Reliable, Defendants have included the reference "Consumer Affairs" thus wrongfully implying that AAA Reliable is associated with the New Jersey Division of Consumer Affairs.

168. Each instance where Defendants simulated a government agency constitutes a separate violation of the CFA, N.J.S.A. 56:8-2 and N.J.S.A. 56:8-2.1.

#### COUNT VII

#### **VIOLATION OF THE CONTRACTORS' REGISTRATION ACT BY DEFENDANTS**



169. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 168 above as if set forth more fully herein.

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

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

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

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

174. The Contractors' Registration Act provides, in pertinent part:

a. On or after December 31, 2005, no person shall offer to perform, or engage, or attempt to engage in the business of making or selling home improvements unless registered with the Division of Consumer Affairs in accordance with the provision of this act.

[N.J.S.A. 56:8-138(a).]

175. At all relevant times, Defendants were not exempt from the Contractors' Registration Act pursuant to N.J.S.A. 56:8-140.

176. The Contractors' Registration Act requires that certain information must be displayed by the Contractor and provides, in pertinent part:

All registrants shall prominently display their registration numbers within their places of business, in all advertisements distributed within this State, on business documents, contracts and correspondence with consumers of home improvement services in this State, and on all commercial vehicles registered in this State and leased or owned by registrants and used by registrants for the purpose of providing home improvements, except for vehicles leased or rented

to customers of registrants by a registrant or any agent or representative thereof.

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

177. The Contractors' Registration Act further provides that "[t]he Director shall provide a toll-free telephone number for consumers making inquiries regarding contractors." N.J.S.A. 56:8-149(b).

178. Additionally, the Contractors' Registration Act requires that "[a]ny invoice, contract or correspondence given by a registrant to a consumer shall prominently contain the toll-free telephone number provided pursuant to [N.J.S.A. 56:8-149]." N.J.S.A. 56:8-144(b).

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

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

(1) The legal name, business address, and registration number of the contractor;

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

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

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

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

"NOTICE TO CONSUMER

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

1. SEND A SIGNED AND DATED WRITTEN NOTICE OF CANCELLATION BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED; OR

2. PERSONALLY DELIVER A SIGNED AND DATED WRITTEN NOTICE OF CANCELLATION TO:

(Name of Contractor)

(Address of Contractor)

(Phone Number of Contractor)

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

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

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

- a. Failing to set forth the signatures of both parties to the home improvement contract (N.J.S.A. 56:8-151(a));
- b. Selling and/or performing home improvement work under the name Reliable, Inc., which is not registered as a contractor with the Division (N.J.S.A. 56:8-138(a));
- c. Failing to include on invoices and home improvement contracts the toll-free telephone number provided by the Director for consumers to call with inquiries or complaints concerning home improvement contractors (N.J.S.A. 56:8-144(b));
- d. Failing to set forth the legal name on home improvement contracts (N.J.S.A. 56:8-151(a)(1));
- e. Failing to set forth the business address on home improvement contracts (N.J.S.A. 56:8-151(a)(1));

- f. Failing to include with home improvement contracts a copy of Defendants' certificate of commercial general liability insurance as well as the telephone number of the company issuing the certificate (N.J.S.A. 56:8-151(a)(2));
- g. Failing to use the required cancellation language in home improvement contracts (N.J.S.A. 56:8-151(b)); and
- h. Failing to include a home improvement contractor registration number as required in advertisements or otherwise (N.J.S.A. 56:8-144(a)).

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

### COUNT VIII

#### VIOLATION OF THE CONTRACTOR REGISTRATION REGULATIONS BY DEFENDANTS

183. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 182 above as if more fully set forth herein.

184. The Contractor Registration Regulations, among other things, provide for procedures for the registration of home improvement contractors with the Division.

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

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

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

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

189. The Contractor Registration Regulations provide, in pertinent part:

(a) On or after December 31, 2005, unless exempt under N.J.A.C. 13:45A-17.4:

1. No person shall engage in the business of making or selling home improvements in this State unless registered with the Division in accordance with this subchapter; and

[N.J.A.C. 13:45A-17.3(a).]

190. At all relevant times, Defendants were not exempt from the Division's contractor registration requirements.

191. The Contractor Registration Regulations further provide, in pertinent part:

(a) Each home improvement contractor required to be registered under this subchapter shall initially register with the Division by submitting the following on forms provided by the Director:

1. The name and street address of each place of business of the home improvement contractor and any fictitious or trade name to be used by the home improvement contractor; . . .

[N.J.A.C. 13:45A-17.5(a)(1).]

192. The Contractor Registration Regulations further require that an applicant for registration as home improvement contractor provide information to the Division on the HIC Registration Application and Disclosure Statement, including, among other things: (a) the name and street address of each place of business of the home improvement contractor; (b) any fictitious or trade name to be used by the home improvement contractor; and (c) whether the applicant or any of its officers, directors, principals or persons with an ownership of 10 percent or more in the applicant had been convicted of certain crimes (i.e., crimes of moral turpitude and/or enumerated crimes). N.J.A.C. 13:45A-17.5(a)(1) and (a)(6); N.J.A.C. 13:45A-17.6.

193. The Contractor Registration Regulations require that home improvement contractors prominently display certain information and provide, in pertinent part:

(d) A registered home improvement contractor shall prominently display:

2. The contractor's registration number on all advertisements distributed within this State, on business documents, contracts and correspondence with consumers of home improvement services in this State, and on all commercial vehicles registered in this State and leased or owned by a registrant and used by the registrant for the purpose of providing home improvements, except for vehicles leased or rented by a registrant to a customer of that registrant.

....

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

[N.J.A.C. 13:45A-17.11(d)(2), (f).]

194. Additionally, the Contractor Registration Regulations provide that:

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

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

195. Defendants have engaged in conduct in violation of the Contractor Registration Regulations including, but not limited to, the following:

- a. Performing home improvement work under the name Reliable, Inc., which is not registered as a contractor with the Division (N.J.A.C. 13:45A-17.3(a)(1));
- b. Entering into home improvement contracts that did not comply with the requirements of N.J.S.A. 56:8-151 (e.g. failing to set forth the signatures of both parties) (N.J.A.C. 13:45A-17.13);
- c. Failing to disclose on AAA Reliable's HIC Registration Application all addresses used by the business (e.g. 25 Lincoln Avenue, 5 Sicomac Road) (N.J.A.C. 13:45A-17.5(a)(1));

- d. Failing to disclose on AAA Reliable's HIC Registration Application all other business names used (e.g. Reliable, Inc., Old Reliable Construction) (N.J.A.C. 13:45A-17.5(a)(1));
- e. Using invoices, contracts and/or correspondence which are given to consumers that fail to include the informational statement and toll-free telephone number provided by the Director for consumers making inquiries regarding contractors (N.J.A.C. 13:45A-17.11(f));
- f. Failing to disclose Nelson's conviction on A Safeway Improvement, Inc.'s HIC Registration Application (N.J.A.C. 13:45A-17.5(a)(1) and (a)(6); N.J.A.C. 13:45A-17.6); and
- g. Failing to include a home improvement contractor registration number as required in advertisements and otherwise (N.J.A.C. 13:45A-17.11(d)(2)).

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

### COUNT IX

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

197. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 196 above as if more fully set forth herein.

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

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

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

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

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

....

2. Product and material representations: Misrepresent directly or by implication that products or materials to be used in home improvement:

....

- iii. Are of a specific size, weight, grade or quality, or possess any other distinguishing characteristics or features;

....

- vii. Are of a sufficient size, capacity, character or nature to do the job expected or represented;

....

3. Bait selling:

- i. Offer to represent specific products or materials as being for sale, where the purpose or effect of the offer or representation is not to sell as represented but to bait or entice the buyer into the purchase of other or higher priced substitute products or materials;

- ii. Disparage, degrade or otherwise discourage the purchase of products or materials offered or represented by the seller as being for sale to induce the buyer to purchase other or high priced substitute products or materials;

....

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

....

4. Identity of seller:

....

- ii. Misrepresent that the seller is . . . a member of any trade organization . . .;

....



- iv. Misrepresent that the seller is part of any governmental or public agency in any printed or oral communication including but not limited to leaflets, tracts or other printed material, or that any licensing denotes approval by the governmental agency.

....

7. Performance:

- i. Deliver materials, begin work, or use any similar tactic to unduly pressure the buyer into a home improvement contract.

..

....

9. Sales representations:

....

- ii. Knowingly fail to make any material statement of fact, qualification or explanation if the omission of such statement, qualification or explanation causes an advertisement, announcement, statement or representation to be false, deceptive or misleading; or
- iii. Misrepresent that the customer's present equipment, material, product, home or a part thereof is dangerous or defective, or in need of repair or replacement.

.....

10. Building permits:

- i. No seller contracting for the making of home improvements shall commence work until he is sure that all applicable state or local building and construction permits have been issued as required under state laws or local ordinances;
- ii. Where midpoint or final inspections are required under state laws or local ordinances, copies of inspection certificates shall be furnished to the buyer by the seller when construction is completed and before final payment is due or the signing of a completion slip is requested of the buyer.

11. Guarantees or Warranties:

- i. The seller shall furnish the buyer a written copy of all guarantees or warranties made with respect to labor services,

products or materials furnished in connection with home improvements. Such guarantees or warranties shall be specific, clear and definite and shall include any exclusions or limitations as to their scope or duration. Copies of all guarantees or warranties shall be furnished to the buyer at the time the seller presents his bid as well as at the time of execution of the contract, except that separate guarantees or warranties of the manufacturer of products or materials may be furnished at the time such products or materials are installed.

.....

12. Home improvement contract requirements-writing requirement: All home improvement contracts for a purchase price in excess of \$500.00, and all changes in the terms and conditions thereof shall be in writing. Home improvement contracts which are required by this subsection to be in writing, and all changes in the terms and conditions thereof, shall be signed by all parties thereto, and shall clearly and accurately set forth in legible form and in understandable language all terms and conditions of the contract, including, but not limited to, the following:
  - i. The legal name and business address of the seller, including the legal name and business address of the sales representative or agent who solicited or negotiated the contract for the seller;
  - ii. A description of the work to be done and the principal products and materials to be used or installed in performance of the contract. The description shall include, where applicable, the name, make, size, capacity, model, and model year of principal products or fixtures to be installed, and the type, grade, quality, size or quantity of principal building or construction materials to be used. Where specific representations are made that certain types of products or materials will be used, or the buyer has specified that certain types of products are to be used, a description of such products or materials shall be clearly set forth in the contract;
  - iii. The total price or other consideration to be paid by the buyer, including all finance charges. If the contract is one for time and materials; the hourly rate for labor and all other terms and conditions of the contract affecting price shall be clearly stated;

- iv. The dates or time period on or within which the work is to begin and be completed by the seller;

.....

[N.J.A.C. 13:45A-16.2(a)(2)(iii-iv), (3)(i-ii), (iv), (4)(ii), (iv), (7)(i), (9)(ii-iii), (10)(i-ii), (11)(i), (12)(i)-(iv).]

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

- a. Misrepresenting to consumers that products or materials used in the home improvement were of a specific size, weight, grade or quality (e.g. selling stainless steel chimney liner, but installing aluminum chimney liner) (N.J.A.C. 13:45A-16.2(a)(2)(iii));
- b. Misrepresenting to consumers that products or materials used in the home improvement were of sufficient size, capacity or character to properly vent the consumer's appliances through the chimney (N.J.A.C. 13:45A-16.2(a)(2)(vii));
- c. Offering for sale specific services (e.g. chimney cleaning, gutter cleaning), where the real purpose is not to sell as represented but to enter the consumer's home and use high pressure sales tactics to obtain the consumers' consent to purchase higher priced services (N.J.A.C. 13:45A-16.2(a)(3)(i));
- d. Disparaging, degrading or otherwise discouraging the purchase of services offered for sale to induce the buyer to purchase other or higher priced substitute services (N.J.A.C. 13:45A-16.2(a)(3)(ii));
- e. Substituting products or materials for those specified in the home improvement contract (e.g. aluminum chimney liner for stainless steel chimney liner) without the knowledge or consent of the consumer (N.J.A.C. 13:45A-16.2(a)(3)(iv));
- f. Misrepresenting that AAA Reliable is a member of the NCSG (N.J.A.C. 13:45A-16.2(a)(4)(ii));
- g. Misrepresenting that AAA Reliable is a member of the BBB or a BBB accredited business (N.J.A.C. 13:45A-16.2(a)(4)(ii));
- h. Including, in the AAA Reliable Yellow Pages advertisements a reference to "Consumer Affairs," thus falsely suggesting an affiliation with a governmental agency (N.J.A.C. 13:45A-16.2(a)(4)(iv));
- i. Beginning home improvement work prior to discussing and/or obtaining the

consumer's approval in order to unduly pressure the consumer to enter into a home improvement contract (N.J.A.C. 13:45A-16.2(a)(7)(i));

- j. Knowingly failing to inform consumers that permits were required for certain home improvement work performed at their residences (N.J.A.C. 13:45A-16.2(a)(9)(ii));
- k. Knowingly failing to inform consumers that inspections were required after completion of the home improvement work for which permits should have been issued (N.J.A.C. 13:45A-16.2(a)(9)(ii));
- l. Misrepresenting to consumers that their chimney or any portion thereof, was in a dangerous and defective state requiring immediate repair or replacement (N.J.A.C. 13:45A-16.2(a)(9)(iii));
- m. Commencing home improvement work without confirming that the requisite permits had been issued (N.J.A.C. 13:45A-16.2(a)(10)(i));
- n. Failing to obtain inspection certificates at the time home improvement work is completed and before final payment is due (N.J.A.C. 13:45A-16.2(a)(10)(ii));
- o. Failing to provide consumers with a written guarantees or warranties made for labor services, products or materials used that are specific, clear and definite and state all exclusions or limitations (N.J.A.C. 13:45A-16.2(a)(11)(i));
- p. Failing to include in home improvement contracts the signatures of all parties (N.J.A.C. 13:45A-16.2(a)(12));
- q. Failing to include in home improvement contracts the legal name (*i.e.* use of unregistered assumed business name) and business address of the seller (N.J.A.C. 13:45A-16.2(12)(i));
- r. Failing to include in home improvement contracts the legal name and the business address of the sales representative of agent who solicited or negotiated the contract (N.J.A.C. 13:45A-16.2(12)(i));
- s. Failing to include in home improvement contracts a description of the work to be done and the principal products and materials to be used or installed in performance of the contract (N.J.A.C. 13:45A-16.2(a)(12)(ii));
- t. Failing to include in home improvement contracts a statement of the terms and conditions affecting the price of the contract, including cost of materials and hourly labor rate (N.J.A.C. 13:45A-16.2(a)(12)(iii));

- u. Failing to include in home improvement contracts the dates or time periods within which work is to be commenced (N.J.A.C. 13:45A-16.2(a)(12)(iv)); and
- v. Failing to include in home improvement contracts the dates or time periods within which work is to be completed (N.J.A.C. 13:45A-16.2(a)(12)(iv)).

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

### COUNT X

#### VIOLATION OF THE ADVERTISING REGULATIONS BY DEFENDANTS

204. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 203 above as if more fully set forth herein.

205. The Advertising Regulations, N.J.A.C. 13:45A-9.1 et seq., address, among other issues, general advertising practices.

206. Specifically, the Advertising Regulations governing general advertising practices provide, in relevant part:

- (a) Without limiting the application of N.J.S.A. 56:8-1 et seq., the following practices shall be unlawful with respect to all advertisements:

...

- 9. The making of false or misleading representations of facts concerning the reasons for, existence or amounts of price reductions, the nature of an offering or the quantity of advertised merchandise available for sale.

[N.J.A.C. 13:45A-9.2(a)9.]

207. Defendants violated the Advertising Regulations by engaging in certain conduct including, but not limited to:

- a. Advertising, through direct mail circulars and otherwise, "Gutter Cleaning," "Chimney & Fireplace Cleaning" and/or "Chimney Rain Caps with Chimney

Cleaning,” for a specified price (e.g. \$29.99, \$49.99, \$50.00), and then failing to perform the services for that price;

- b. Misrepresenting in direct mail circulars and otherwise, that AAA Reliable is a member of the BBB or a BBB accredited business;
- c. Including in the AAA Reliable Yellow Pages advertisement, a reference to “Consumer Affairs,” thus falsely suggesting an association with a governmental agency;
- d. Misrepresenting in the AAA Reliable Website and otherwise that AAA Reliable is a member of the NCSG;
- e. Representing on the AAA Reliable Website “NJ, PA & NY” when neither AAA Reliable nor Old Reliable Construction are registered to lawfully perform home improvement services in Rockland County, Westchester County, New York City or Pennsylvania;
- f. Misrepresenting on the AAA Reliable Website and in advertisements that AAA Reliable is “Family Owned & Operated For the Past 30 Years!”;
- g. Representing on the A Safeway Website and otherwise that “A-Safeway is a locally owned company with over 25 years in roofing” and “Over 15 years experience in New Jersey,” although neither A Safeway Improvements, A Safeway Construction, Inc. nor A Safeway Construction, LLC existed before 2007; and
- h. Misrepresenting in the AAA Reliable Website, that Defendants maintained offices in Passaic, Essex, Morris, Hudson, Union, Somerset, Middlesex, Monmouth, Mercer, Ocean, Camden, Burlington, Atlantic Counties in New Jersey; in New York City, Bronx, Brooklyn, Queens, Staten Island, Westchester and Rockland Counties in New York; and in Philadelphia and Bucks County in Pennsylvania.

208. Defendants’ conduct constitutes multiple violations of N.J.A.C. 13:45A-9.2(a)9, each of which constitutes a per se violation of the CFA.

#### COUNT XI

#### VIOLATIONS OF THE CFA, THE CONTRACTORS’ REGISTRATION ACT, THE CONTRACTOR REGISTRATION REGULATIONS, THE HOME IMPROVEMENT REGULATIONS AND

**THE ADVERTISING REGULATIONS BY S. LITA**

209. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 208 above as if more fully set forth herein.

210. At all relevant times, S. Lita has been an owner, Chief Executive Officer, President, officer, Director, manager, director, employee, representative and/or agent of AAA Reliable, Old Reliable Construction, A Safeway Improvements, A Safeway Construction, Inc. and/or A Safeway Construction, LLC and has controlled, directed and/or participated in the management and operation of those entities, including the conduct alleged in this First Amended Verified Complaint.

211. Additionally, S. Lita has not respected the corporate form by comingling personal and business funds in several ways, and he should thus not be afforded corporate protection from liability.

212. S. Lita's conduct makes him personally liable for the violations of the CFA, the Contractors' Registration Act, the Contractor Registration Regulations, the Home Improvement Regulations and/or the Advertising Regulations committed by AAA Reliable, Old Reliable Construction, A Safeway Improvements, A Safeway Construction, Inc. and/or A Safeway Construction, LLC.

**COUNT XII**

**VIOLATIONS OF THE CFA, THE CONTRACTORS'  
REGISTRATION ACT, THE CONTRACTOR  
REGISTRATION REGULATIONS, THE HOME  
IMPROVEMENT REGULATIONS AND  
THE ADVERTISING REGULATIONS BY L. LITA**

213. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 212 above as if more fully set forth herein.

214. At all relevant times, L. Lita has been an owner, Chief Executive Officer, President, officer, Managing Member, manager, director, employee, representative and/or agent of AAA Reliable, Old Reliable Construction, A Safeway Improvements, A Safeway Construction, Inc. and/or A Safeway Construction, LLC and has controlled, directed and/or participated in the management and operation of those entities, including the conduct alleged in this First Amended Verified Complaint.

215. Additionally, L. Lita has not respected the corporate form by comingling personal and business funds in several ways, and he should thus not be afforded corporate protection from liability.

216. L. Lita's conduct makes him personally liable for the violations of the CFA, the Contractors' Registration Act, the Contractor Registration Regulations, the Home Improvement Regulations and/or the Advertising Regulations committed by AAA Reliable, Old Reliable Construction, A Safeway Improvements, A Safeway Construction, Inc. and/or A Safeway Construction, LLC.

**PRAYER FOR RELIEF**

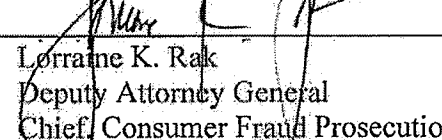
WHEREFORE, based upon the foregoing allegations, Plaintiffs respectfully request that the Court enter judgment against Defendants:



- (a) Finding that the acts and omissions of Defendants constitute multiple instances of unlawful practices in violation of the CFA, N.J.S.A. 56:8-1 et seq., the Contractors' Registration Act, N.J.S.A. 56:8-136 et seq., the Contractor Registration Regulations, N.J.A.C. 13:45A-17.1 et seq., the Home Improvement Regulations, N.J.A.C. 13:45A-16.1 et seq., and the Advertising Regulations, N.J.A.C. 13:45A-9.1 et seq.;
- (b) Permanently enjoining Defendants and their owners, officers, directors, shareholders, founders, managers, agents, members, servants, employees, representatives, independent contractors and all other persons or entities directly under their control, from engaging in, continuing to engage in or doing any acts or practices in violation of the CFA, N.J.S.A. 56:8-1 et seq., the Contractors' Registration Act, N.J.S.A. 56:8-136 et seq., the Contractor Registration Regulations, N.J.A.C. 13:45A-17.1 et seq., the Home Improvement Regulations, N.J.A.C. 13:45A-16.1 et seq., and the Advertising Regulations, N.J.A.C. 13:45A-9.1 et seq., including, but not limited to, the acts and practices alleged in this First Amended Verified Complaint, as authorized by the CFA, N.J.S.A. 56:8-8;
- (c) Permanently enjoining Defendants and their owners, officers, directors, shareholders, founders, managers, agents, members, servants, employees, representatives, independent contractors and all other persons or entities directly under their control, from engaging in any of the activities that are the subject of Plaintiffs' Order to Show Cause with Temporary Restraints Pursuant to Rule 4:52 and the Consent Order on Plaintiffs' Motion for Preliminary Injunctive and Other Relief and Case Management;
- (d) Revoking the HIC registration of AAA Reliable, A Safeway Improvements and A Safeway Construction, Inc., in accordance with N.J.S.A. 56:8-8;
- (e) Ordering Defendants to disgorge all funds and property (real and personal) acquired and/or retained as a result of any acts or practices in violation of the violation of the CFA, N.J.S.A. 56:8-1 et seq., the Contractors' Registration Act, N.J.S.A. 56:8-136 et seq., the Contractor Registration Regulations, N.J.A.C. 13:45A-17.1 et seq., the Home Improvement Regulations, N.J.A.C. 13:45A-16.1 et seq., and the Advertising Regulations, N.J.A.C. 13:45A-9.1 et seq., including, but not limited to, the acts and practices alleged in this First Amended Verified Complaint;
- (f) Appointing a receiver, pursuant to N.J.S.A. 56:8-8 and N.J.S.A. 56:8-9, at Defendants' expense, to assume control over the assets of Defendants, render a full accounting and thereafter sell and/or convey such assets under the direction of the Court in order to provide restitution to any person, whether or not named in the First Amended Verified Complaint, who has sustained damage as a result of Defendants' unlawful acts;

- (g) Permanently enjoining S. Lita and L. Lita from conducting business under an unregistered assumed name, in violation of N.J.S.A. 56:1-2 and N.J.S.A. 56:8-2;
- (h) Permanently enjoining S. Lita and L. Lita from managing or owning any business organization within this State and from serving as an officer, director, trustee, member of an executive board or similar governing body, principal, manager, stockholder owning 10% or more of the aggregate outstanding capital stock of all classes of any corporation doing business in this State, as authorized by the CFA, N.J.S.A. 56:8-8;
- (i) Permanently vacating and/or annulling the corporate charters in the State of AAA Reliable, Old Reliable Construction, A Safeway Improvements, A Safeway Construction, Inc. and A Safeway Construction, LLC, as authorized by the CFA, N.J.S.A. 56:8-8;
- (j) Directing Defendants, jointly and severally, to restore to any affected person, whether or not named in this First Amended Verified Complaint, any money or real or personal property acquired by means of any alleged practice herein to be unlawful and found to be unlawful, as authorized by the CFA, N.J.S.A. 56:8-8;
- (k) 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;
- (l) 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. 56:8-14.3(1);
- (m) 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
- (n) Granting such other relief as the interests of justice may require.

JEFFREY S. CHIESA  
 ATTORNEY GENERAL OF NEW JERSEY  
 Attorney for Plaintiffs

By:   
 Lorraine K. Rak  
 Deputy Attorney General  
 Chief, Consumer Fraud Prosecution Section

Dated: December 5, 2012  
 Newark, New Jersey

**RULE 4:5-1 CERTIFICATION**

I certify, to the best of my information and belief, that the matter in this action involving the aforementioned violations of the CFA, N.J.S.A. 56:8-1 et seq., the Contractors' Registration Act, N.J.S.A. 56:8-136 et seq., the Contractor Registration Regulations, N.J.A.C. 13:45A-17.1 et seq., the Home Improvement Regulations, N.J.A.C. 13:45A-16.1 et seq., and the Advertising Regulations, N.J.A.C. 13:45A-9.1 et seq., is not the subject of any other action pending in any other court of this State. I further certify, to the best of my information and belief, that the matter in controversy in this action is not the subject of a pending arbitration proceeding in this State, nor is any other action or arbitration proceeding contemplated. Further, I am aware that some consumers who filed consumer complaints with the New Jersey Division of Consumer Affairs had filed civil actions against Defendants, primarily in the Special Civil Part, which may have resulted in judgments for only compensatory damages against Defendants and not injunctive relief and civil penalties as sought by Plaintiffs in this action. I certify that there is no other party who should be joined in this action at this time.

JEFFREY S. CHIESA  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for Plaintiffs

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

  
Lorraine K. Rak  
Deputy Attorney General  
Chief, Consumer Fraud Prosecution Section

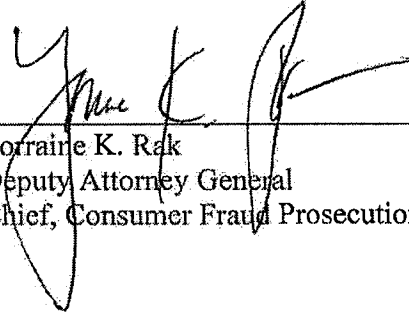
Dated: December 5, 2012  
Newark, New Jersey

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

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

JEFFREY S. CHIESA  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for Plaintiffs

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

  
Lorraine K. Rak  
Deputy Attorney General  
Chief, Consumer Fraud Prosecution Section

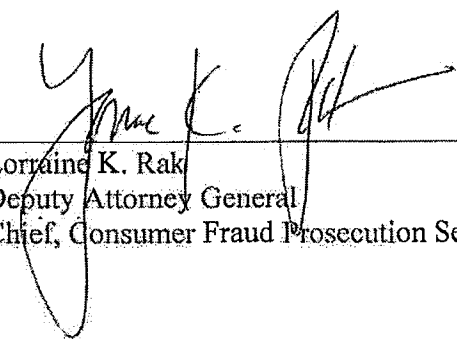
Dated: December 5, 2012  
Newark, New Jersey

**DESIGNATION OF TRIAL COUNSEL**

Pursuant to R. 4:25-4, Deputy Attorneys General Lorraine K. Rak and Nicholas Kant are hereby designated as trial counsel for the Plaintiffs in this action.

JEFFREY S. CHIESA  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for Plaintiffs

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

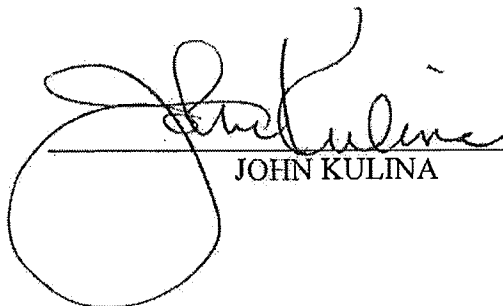
  
Lorraine K. Rak  
Deputy Attorney General  
Chief, Consumer Fraud Prosecution Section

Dated: December 5, 2012  
Newark, New Jersey

**VERIFICATION**

I, John Kulina, of full age, hereby certifies as follows:

1. I am an Investigator with the New Jersey Division of Consumer Affairs (“Division”), Office of Consumer Protection.
2. I have read the foregoing First Amended Verified Complaint and on my own personal knowledge and review of documents in possession of the Division, I know that the facts set forth herein are true and they are incorporated in this certification by reference, except for those alleged upon information and belief.
3. I certify that the above statements made by me are true. I am aware that if any of the foregoing statements made by me are wilfully false, I am subject to punishment.

  
\_\_\_\_\_  
JOHN KULINA

Dated: December 5, 2012  
Newark, New Jersey