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Division of Consumer Affairs

By: Jeffrey Koziar
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[REDACTED]

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

In the Matter of

FREEHOLD AUTOMOTIVE, LTD, INC. d/b/a.
FREEHOLD HYUNDAI; FREEHOLD CHRYSLER
JEEP, INC. d/b/a FREEHOLD CHRYSLER JEEP;
HACKETTSTOWN AUTO SALES, INC. d/b/a
HACKETTSTOWN HONDA; HILLSIDE
AUTOMOTIVE, INC. d/b/a ROUTE 22 KIA; HUDSON
AUTO SALES, INC. d/b/a HUDSON HONDA; ROUTE
22 AUTO SALES, INC. d/b/a ROUTE 22 TOYOTA;
ROUTE 22 AUTOMOBILES, INC. d/b/a ROUTE 22
HONDA; ROUTE 22 NISSAN, INC. d/b/a ROUTE 22
NISSAN; CARMELO GIUFFRE, individually and in his
capacity as an officer of FREEHOLD AUTOMOTIVE,
LTD, INC., FREEHOLD CHRYSLER JEEP, INC.,
HACKETTSTOWN AUTO SALES, INC., HILLSIDE
AUTOMOTIVE, INC., HUDSON AUTO SALES, INC.,
ROUTE 22 AUTO SALES, INC., ROUTE 22
AUTOMOBILES, INC., and ROUTE 22 NISSAN, INC.;
and IGNAZIO GIUFFRE, individually and in his capacity
as an officer of FREEHOLD AUTOMOTIVE, LTD, INC.,
FREEHOLD CHRYSLER JEEP, INC.,
HACKETTSTOWN AUTO SALES, INC., HILLSIDE
AUTOMOTIVE, INC., HUDSON AUTO SALES, INC.,
ROUTE 22 AUTO SALES, INC., ROUTE 22
AUTOMOBILES, INC., and ROUTE 22 NISSAN, INC.,

Respondents.

Administrative Action

CONSENT ORDER

WHEREAS this matter having been opened by the New Jersey Division of Consumer Affairs, Office of Consumer Protection (“Division”), as an investigation into whether violations of the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq. (“CFA”), and the Regulations Governing Motor Vehicle Advertising Practices, N.J.A.C. 13:45A-26A.1 et seq. (“Motor Vehicle Advertising Regulations”), have been or are being committed by Freehold Automotive, Ltd, Inc. d/b/a Freehold Hyundai, Freehold Chrysler Jeep, Inc. d/b/a Freehold Chrysler Jeep, Hackettstown Auto Sales, Inc., d/b/a Hackettstown Honda; Hillside Automotive, Inc., d/b/a Route 22 Kia; Hudson Auto Sales, Inc., d/b/a Hudson Honda; Route 22 Auto Sales, Inc., d/b/a Route 22 Toyota, Route 22 Automobiles, Inc. d/b/a Route 22 Honda, Route 22 Nissan, Inc. d/b/a Route 22 Nissan (collectively, “Dealerships), as well as their owners, officers, directors, employees, representatives, agents, successors, assigns and/or independent contractors including, but not limited to, Carmelo Giuffre (“C. Giuffre”) and Ignazio Giuffre (“I. Giuffre”) (collectively, “Respondents”) in connection with their Advertisement, offering for Sale and Sale of Motor Vehicles (hereinafter referred to as the “Investigation”);

WHEREAS the Division alleges that Respondents, among other things, as a matter of their routine business practices in the State, failed to disclose prior use or prior damage in their Advertisement of Used Motor Vehicles; failed to disclose other required Motor Vehicle information (e.g. Vehicle Identification Number (VIN)) in Advertisements; failed to provide Consumers with Motor Vehicle title and registration in a timely manner; failed to properly disclose significant additional charges to Consumers (e.g. After Sale Items); and failed to make mandatory disclosures in their Advertisement of Used Motor Vehicles;

WHEREAS the Attorney General and Director of the Division filed an action in 1999 against the Route 22 Dealerships, C. Giuffre and I. Giuffre alleging violations of the CFA and the

Motor Vehicle Advertising Regulations, including violations of the same nature as those giving rise to this Consent Order, which action was settled with the filing of an Order and Stipulation of Settlement on February 8, 1999;

WHEREAS the Respondents deny that they have committed any violation of the CFA and/or the Motor Vehicle Advertising Regulations;

WHEREAS, Respondents have introduced a "One Price- Our Best Price" program across the Dealerships that eliminates negotiating the Sale or lease price of new and Used Motor Vehicles;

WHEREAS, pursuant to the "One Price-Our Best Price" program, Respondents have represented that prospective purchasers view, with respect to every item and option on a Motor Vehicle offered for Sale, the M.S.R.P., an independent organization's suggested pricing for those items and options and Respondents' "One Price."

WHEREAS, Respondents have undertaken to deincentivize salesperson commissions based on the Sale of options and extras;

WHEREAS, the Division has considered this information, as well as Respondents' commitment to fully comply with the law; and

WHEREAS the Division and Respondents (collectively, "Parties") have reached an amicable agreement thereby resolving the issues in controversy and concluding this Investigation without the need for further action, and Respondents having voluntarily cooperated with the Investigation and consented to the entry of the within order ("Consent Order") and for good cause shown:

IT IS ORDERED AND AGREED as follows:

1. EFFECTIVE DATE

1.1 This Consent Order shall be effective on the date that it is filed with the Division

("Effective Date").

2. DEFINITIONS

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

2.1 "ADR Unit" refers to the Alternative Dispute Resolution Unit of the Division.

2.2 "Additional Consumer[s]" shall refer to any Consumer who submits to the Division directly or through CALA or another agency, after the Effective Date, a complaint concerning Respondents' business practices.

2.3 "Advertisement" shall be defined in accordance with N.J.S.A. 56:8-1(a) and includes the Websites. For purposes of the Motor Vehicle Advertising Regulations, "Advertisement" shall be defined in accordance with N.J.A.C. 13:45A-26A.3 and includes the Websites. These definitions apply to other forms of the word "Advertisement" including without limitation, "Advertise" and "Advertised."

2.4 "Affected Consumer[s]" shall refer to the Consumers with existing complaints against Respondents listed on Exhibit A.

2.5 "After Sale Item" shall refer to items such as window etching, GAP Coverage, warranties, service contracts and/or credit life insurance.

2.6 "Attorney General" shall refer to the Attorney General of the State of New Jersey and the Office of the Attorney General of the State of New Jersey.

2.7 "CALA" shall refer to Consumer Affairs Local Assistance offices located within counties and/or municipalities in the State.

2.8 "Clearly and Conspicuously" shall mean a statement that, regardless of the medium in which it is made, is presented in such size, color, contrast, duration, location and audibility,

compared to the other information with which it is presented, that it is readily apparent and understandable and in language and terms used in accordance with their common or ordinary usage and meaning. If such statement modifies, explains or clarifies other information with which it is presented, it must be presented in proximity to the information it modifies, explains or clarifies and in a manner that is readily apparent and understandable.

2.9 "Consumer" shall refer to any Person who is offered Merchandise, defined in accordance with N.J.S.A. 56:8-1(c), for Sale.

2.10 "GAP Coverage" shall refer to Guaranteed Auto Protection insurance.

2.11 "Motor Vehicle" shall be defined in accordance with N.J.A.C. 13:45A-26A.3.

2.12 "M.S.R.P." shall refer to manufacturers' suggested retail price.

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

2.14 "Represent" means to state or imply through claims, statements, questions, conduct, graphics, symbols, lettering, formats, devices, language, documents, messages, or any other manner or means by which meaning might be conveyed.

2.15 "Restitution" shall refer to all methods undertaken by Respondents to resolve Affected Consumer and Additional Consumer complaints including, but not limited to, the issuance of credits or refunds or the reversal of credit card or debit card charges, whether or not in the context of the Affected Consumer and Additional Consumer complaint resolution process set forth in Sections 4 and 5.

2.16 "Route 22 Dealerships" shall refer to Route 22 Auto Sales, Inc. d/b/a Route 22 Toyota, Route 22 Automobiles, Inc. d/b/a Route 22 Honda, and Route 22 Nissan, Inc. d/b/a Route 22 Nissan.

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

- 2.18 “Sales Documents” shall be defined in accordance with N.J.A.C. 13:45A-26B.1.
- 2.19 “Service” refers to Carfax, or similar Motor Vehicle history reporting service.
- 2.20 “State” shall refer to the State of New Jersey.
- 2.21 “Used Motor Vehicle” shall be defined in accordance with N.J.A.C. 13:45A-26F.2.
- 2.22 “Websites” shall mean the websites located at www.freeholdhyundai.com,
www.freeholdchryslerjeep.net., www.hackettstownhonda.com, www.route22kia.com,
www.hudsonhona.com, www.route22toyota.com., www.route22honda.com and
www.route22nissan.com as well as any other website[s] maintained by or on behalf of Respondents.

3. REQUIRED AND PROHIBITED BUSINESS PRACTICES

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

3.2 Respondents shall undertake a good faith search of a Service, to discern the prior use (i.e. rental), of a Motor Vehicle Advertised and/or offered for Sale and to determine whether such vehicles have been in an accident or otherwise sustained damage. Respondents shall disclose such information to Consumers, prior to their purchase of the Motor Vehicle. Respondents commit to providing Consumers with the most current Motor Vehicle history information provided by the Service. Respondents will not be held accountable or responsible for the accuracy or for any deficiencies of the information provided by the Service, unless Respondents were aware, or should have been aware, of the inaccuracies or deficiencies at the time the information was provided to Consumers.

3.3 Respondents shall not add or charge for After Sale Items without the Consumer's written authorization.

3.4 Respondents shall not Represent to Consumers that the purchase of an After Sale Item is mandatory, when, in fact, it is not.

3.5 Respondents shall not Represent that any After Sale Item must be purchased in order to obtain financing, when such is not the case.

3.6 Respondents shall identify, in writing, any and all After Sale Items, whether provided to Consumers at no additional charge or purchased by Consumers.

3.7 For any After Sale Item[s] purchased by a Consumer, Respondents shall provide a written document containing a clear statement of cost for such After Sale Item[s], and shall obtain the Consumers' written acknowledgment to purchase such After Sale Item[s].

3.8 Respondents shall disclose in writing the full total price of an After Sale Item, in addition to the monthly financing price, including a breakdown per After Sale Item if being sold as part of a package.

3.9 For each Sale of GAP Coverage to Consumers, Respondents shall have the purchasing Consumer sign a statement which contains the following: "I UNDERSTAND THAT GAP COVERAGE IS OPTIONAL AND NOT REQUIRED FOR THE PURCHASE OF A MOTOR VEHICLE. The purpose of GAP Coverage has been fully explained to me and I choose to purchase it for my Motor Vehicle." In addition, Respondents will sign a corresponding statement, which may be contained in a separate paragraph on the same page of the statement signed by the Consumer, confirming that GAP Coverage has been explained to the Consumer and the Consumer has decided to purchase the GAP Coverage.

3.10 If Respondents obtain Motor Vehicle plates, title and/or registration on behalf of a

Consumer, Respondents shall make all good faith efforts to provide the Consumer with Motor Vehicle plates, title and/or registration prior to the expiration of temporary plates, title and/or registration.

3.11 Respondents shall provide Consumers with an opportunity to review all Sales Documents prior to signing.

3.12 Respondents shall not require Consumers to execute any blank or incomplete Sales Documents.

3.13 Respondents shall provide Consumers with complete copies of all signed Sales Documents, in accordance with N.J.S.A. 56:8-2.22.

3.14 In their Advertisement of a Used Motor Vehicle, Respondents shall Clearly and Conspicuously disclose the Used Motor Vehicle's prior use, as detailed in paragraph 3.2, when such prior use is known or should have been known by Respondents, unless previously and exclusively owned or leased by individuals for their personal use, in accordance with N.J.A.C. 13:45A-26A.5(b)(2).

3.15 In their Advertisement of a Motor Vehicle, Respondents shall Clearly and Conspicuously disclose whether the Motor Vehicle had been previously damaged and that substantial repair or body work has been performed on it when such repair or body work is known or should have been known by Respondents, in accordance with N.J.A.C. 13:45A-26A.7(a)(7), and as detailed in paragraph 3.2. If Respondents provide disclosure of prior use and/or prior damage to a Motor Vehicle via a Service, Respondents shall Clearly and Conspicuously identify the Service, along with a designation of "Free Vehicle History Report" within the description of the Motor Vehicle on the Websites.

3.16 In their Advertisement of Motor Vehicles, Respondents shall include the statement

that “price(s) include(s) all costs to be paid by consumer, except for licensing costs, registration fees, and taxes,” in accordance with N.J.A.C. 13:45A-26A.5(a)(2).

3.17 In their Advertisement of Used Motor Vehicles, Respondents shall include the statement that “price(s) include(s) all costs to be paid by consumer, except for licensing costs, registration fees, and taxes,” in accordance with N.J.A.C. 13:45A-26A.5(b).

3.18 In their Advertisement of Used Motor Vehicles, Respondents shall Advertise only one price for each Motor Vehicle offered for Sale. The Division recognizes that delays may arise in new prices being displayed across all electronic Advertising on affiliated or contracted websites and Respondents shall have a seventy-two (72) hour grace period to ensure that the adjusted prices are reflected on the Websites and contracted third-party sites. Respondents shall not be responsible for or be deemed in violation of this agreement or the Motor Vehicle Advertising Regulations as a result of third party actions performed without Respondents’ authorization and consent, or for information posted on non-contracted, unauthorized third party websites.

3.19 In their Advertisement of Motor Vehicles, Respondents shall Clearly and Conspicuously disclose next to a purported unconditional offer all disclaimers, qualifiers or limitations that in fact limit, condition, or negate such offer, as required by N.J.A.C. 13:45A-26A.7(a)(4).

3.20 In their Advertisement of Motor Vehicles, Respondents shall Clearly and Conspicuously disclose the applicable time period of any special offer, unless such offer is a manufacturer’s program, in accordance with N.J.A.C. 13:45A-26A.7(a)(5).

3.21 In their Advertisement of Motor Vehicles, Respondents shall Clearly and Conspicuously disclose the last eight digits of the vehicle identification number, preceded by the letters “VIN,” as required by N.J.A.C. 13:45A-26A.5(a)(6).

3.22 Respondents shall promptly refund deposits or down payments to Consumers whose credit was denied or who did not complete a sales transaction because of a material change in terms. Notwithstanding this direction, Respondents may assert, in a civil action brought against a Consumer, any claim for damage to a Motor Vehicle, excessive mileage, misrepresentations and/or for any other claim that Respondents may have in connection with the return of the Motor Vehicle where the Consumer does not complete a Sales transaction.

3.23 Respondents acknowledge that the "destination charge" is included in the Advertised price and/or the M.S.R.P. for a Motor Vehicle. Respondents will not charge Consumers separately for a destination charge on any Advertised Motor Vehicle.

4. RESTITUTION

4.1 Attached as Exhibit A is a list of the Affected Consumers. Prior to the Effective Date, the Division shall provide Respondents with copies of the Affected Consumers' complaints.

4.2 If Respondents do not dispute the Affected Consumer's complaint and requested relief, Respondents' written response shall so inform the Affected Consumer. Where Restitution concerns the reversal of credit or debit card charges, Respondents shall include documents evidencing that such adjustments have been made. Where Restitution concerns a refund or other payment, such shall be made by bank check, money order or other guaranteed funds made payable to the Affected Consumer.

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

4.4 Within forty-five (45) days of the Effective Date, Respondents shall provide the Division with written notification of each Affected Consumer whose complaint has been resolved.

Such notification shall also include the following:

- (a) The Restitution provided as to each such Affected Consumer;
- (b) The efforts Respondents have undertaken to locate an Affected Consumer whose Restitution was returned as undeliverable; and
- (c) Confirmation that Respondents sent all mailings to the Affected Consumer as required by this Section.

Following the Division's receipt of such notification, the complaint of each Affected Consumer who received Restitution shall be deemed closed for purposes of this Consent Order.

4.5 If Respondents have not notified the Division that an Affected Consumer's complaint has been resolved within sixty (60) days of the Effective Date or if an Affected Consumer refuses Respondents' offer of Restitution, the Division shall forward such complaint to the ADR Unit for binding arbitration. Respondents agree herein to consent to this arbitration process and to be bound by the arbitrator's decision. Respondents further agree to be bound by the immunity provisions of the New Jersey Arbitration Act, N.J.S.A. 2A:23B-14, and the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 et seq. The Division shall notify any such Affected Consumer of the referral of the complaint to the ADR Unit. Thereafter, the arbitration shall proceed in accordance with the ADR Guidelines (a copy of which are attached as Exhibit B).

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

4.7 Respondents' failure or refusal to comply with the requirements of Sections 4.2 through 4.5 and/or participate in the arbitration process or pay an arbitration award timely shall constitute a violation of this Consent Order.

4.8 If an Affected Consumer refuses to participate in the ADR program, that Affected

Consumer's complaint shall be deemed closed for the purposes of this Consent Order.

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

5. ADDITIONAL CONSUMER COMPLAINTS

5.1 For a period of one (1) year from the Effective Date, the Division shall forward to Respondents copies of any Additional Consumer complaints. The Division shall forward to Respondents such complaints within thirty (30) days of the Division's receipt thereof.

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

5.3 Within thirty (30) days of receiving the Additional Consumer complaint from the Division, Respondents shall send a written response to each Additional Consumer, with a copy sent by first class mail, fax or email to the following: New Jersey Division of Consumer Affairs, Office of Consumer Protection, Case Management Tracking Supervisor, 124 Halsey Street, P.O. Box 45025, Newark, New Jersey 07101, fax number: 973-648-3139, cmt@dca.lps.state.nj.us.

5.4 If Respondents do not dispute the Additional Consumer's complaint and requested relief, Respondents' written response shall so inform the Additional Consumer. Where Restitution concerns the reversal of credit or debit card charges, Respondents shall include documents evidencing that such adjustments have been made. Where Restitution concerns a refund or other payment, such shall be made by bank check, money order or other guaranteed funds made payable to

the Additional Consumer.

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

5.6 Within forty-five (45) days of receiving from the Division the Additional Consumer's complaint, Respondents shall provide the Division with written notification as to whether such Additional Consumer's complaint has been resolved. Such notification shall include the following:

- (a) The name and address of the Additional Consumer;
- (b) Whether or not the Additional Consumer's complaint has been resolved;
- (c) An identification of any Restitution provided as to each such Additional Consumer;
- (d) Copies of all documents evidencing any Restitution;
- (e) In the event Respondents' written response was returned as undeliverable, the efforts Respondents had undertaken to locate the Additional Consumer; and
- (f) Confirmation that Respondents sent all mailings to the Additional Consumer as required by this Section.

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

5.7 If within sixty (60) days of Respondents' receipt of the Additional Consumer's complaint: (a) Respondents have not notified the Division that the Additional Consumer's complaint has not been resolved; (b) Respondents have notified the Division that the Additional Consumer's complaint has not been resolved; or (c) Respondents have notified the Division that the Additional Consumer refuses Respondents' offer of Restitution, the Division shall forward such Additional Consumer complaint to the ADR Unit for binding arbitration. Respondents agree herein to consent

to this arbitration process and to be bound by the arbitrator's decision. Respondents further agree to be bound by the immunity provisions of the New Jersey Arbitration Act, N.J.S.A. 2A:23B-14, and the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 et seq. The Division shall notify any such Additional Consumer and Respondents of the referral of the complaint to the ADR Unit. Thereafter, the arbitration shall proceed in accordance with the ADR Guidelines.

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

5.9 Respondents' failure or refusal to comply with the requirements of Sections 5.3 through 5.6 and/or participate in the arbitration process or pay an arbitration award timely shall constitute a violation of this Consent Order. Under these circumstances, the Division may unilaterally discontinue the Additional Consumer complaint resolution process upon written notice to Respondents.

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

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

5.12 After one (1) year from the Effective Date, either Party may opt out of the Additional Consumer complaint resolution process for any reason at any time.

5.13 Following the expiration of the one (1) year period, the Additional Consumer complaint resolution process shall automatically renew unless terminated by either party in accordance with Sections 5.9 and 5.12 above.

6. COMPLIANCE MONITOR

6.1 Within thirty (30) days of the Effective Date, Respondents shall retain an Independent Compliance Monitor ("Compliance Monitor") to perform the functions set forth below. Respondents shall bear all costs associated with the Compliance Monitor.

6.2 The Compliance Monitor shall be an individual whose retention is approved in advance by the Division and who is familiar with the terms of the Consent Order. The Compliance Monitor will serve in this capacity for a period of twenty-four (24) months from the date of retention ("Monitoring Period"), subject to Sections 6.10 and 6.11.

6.3 The Compliance Monitor shall not have any direct or indirect interest in, or relationship with, either the Division or Respondents that would impede, or reasonably be perceived to impede, the Compliance Monitor's ability to perform the services under this Consent Order.

6.4 The Compliance Monitor shall not be employed by or affiliated with the Respondents, nor any other entity owned or controlled by Respondents, for a period of at least one (1) year from the termination of the Monitoring Period.

6.5 The Respondents shall incur the costs required to compensate the Compliance Monitor, which shall not exceed Two Hundred Thousand and 00/100 Dollars (\$200,000.00).

6.6 The Compliance Monitor shall be compensated at a quarterly rate of not more than Twenty-Five Thousand and 00/100 Dollars (\$25,000.00), which shall include all costs incurred by the Compliance Monitor, and he/she shall submit a quarterly invoice to the Respondents for that amount. Respondents shall pay each invoice within thirty (30) days upon receipt.

6.7 The Compliance Monitor shall perform the following functions: (a) monitor Respondents' compliance with the terms of this Consent Order as well as with all applicable State and/or Federal laws, rules and regulations as now constituted or as may hereafter be amended

including, but not limited to, the CFA and the Motor Vehicle Advertising Regulations; (b) monitor Respondents' compliance with their own internal policies and procedures; (c) evaluate the adequacy of Respondents' internal policies and procedures to ensure compliance with all applicable State and/or Federal laws and to recommend any changes to those policies and procedures that the Compliance Monitor deems reasonably necessary to achieve such compliance; (d) facilitate the resolution of Additional Consumer Complaints in accordance with Section 5; and (e) provide to the Division written quarterly reports.

6.8 The Compliance Monitor's quarterly reports referenced in Section 6.7 shall include the following: (a) the Compliance Monitor's findings with respect to Respondents' compliance with all applicable State and/or Federal laws, Respondents' own policies and procedures, and this Consent Order, including an identification of any compliance deficiencies; (b) the Compliance Monitor's recommendations for curing such deficiencies and (c) a summary of the disposition of Additional Consumer Complaints.

6.9 Within thirty (30) days of the Effective Date, Respondents shall send to the Division the full name, business address (street and mailing), telephone number, facsimile number and electronic mail address of the Compliance Monitor.

6.10 At any time after one (1) year from the date of hire of the Compliance Monitor, Respondents may make a written request to the Division to terminate the retention of the Compliance Monitor. Such request shall include a certification under oath by either C. Giuffre or I. Giuffre that Respondents have been in compliance with all applicable State and/or Federal laws, Respondents' own policies and procedures, and this Consent Order.

6.11 Within thirty (30) days of the submission of the request referenced in Section 6.10, the Division shall notify Respondents, in writing, as to whether the retention of the Compliance

Monitor shall be terminated.

6.12 If the Compliance Monitor's retention is terminated prior to the expiration of the Monitoring Period, the Compliance Monitor shall submit an invoice to the Respondents for any costs incurred after submission of the last quarterly invoice. Respondents shall pay that invoice within thirty (30) days of receipt.

7. SETTLEMENT PAYMENT

7.1 In settlement of the Investigation, Respondents shall pay the amount of One Million Eight Hundred Thousand and 00/100 Dollars (\$1,800,000.00) to the Division ("Settlement Payment").

7.2 From the Settlement Payment, the Division shall receive One Million Seven Hundred Thirty-Three Thousand Fifty Nine and 00/100 Dollars (\$1,733,059.00) as civil penalties, pursuant to N.J.S.A. 56:8-13, Thirty-Five Thousand Six Hundred Sixty-Two and 00/100 Dollars (\$35,662.00) as reimbursement of the Division's investigative costs, pursuant to N.J.S.A. 56:8-11, and Thirty-One Thousand Two Hundred Seventy-Nine and 00/100 Dollars (\$31,279.00) as reimbursement of the Division's attorneys' fees, pursuant to and N.J.S.A. 56:8-19.

7.2 Respondents shall make the Settlement Payment in the following manner:

- (a) Two Hundred-Fifty Thousand and 00/100 Dollars (\$250,000.00) on or before the Effective Date; and
- (b) The balance of One Million Five Hundred-Fifty Thousand and 00/100 Dollars (\$1,550,000.00) in eight (8) equal payments of One Hundred Ninety-Three Thousand Seven Hundred Fifty and 00/100 Dollars (\$193,750.00), to be made on September 1, 2014, October 1, 2014, January 1, 2015, April 1, 2015, July 1, 2015, October 1, 2015, January 1, 2016, April 1, 2016 and July 1, 2016.

7.3 All payments made in satisfaction of the Settlement Payment shall be made by a bank check or wire transfer made payable to "New Jersey Division of Consumer Affairs" and forwarded

to:

Jeffrey Koziar, Deputy Attorney General
State of New Jersey
Office of the Attorney General
Department of Law and Public Safety
Division of Law
124 Halsey Street-5th Floor
P.O. Box 45029
Newark, New Jersey 07101

7.4 Upon making the Settlement Payment, Respondents shall immediately be fully divested of any interest in, or ownership of, the monies paid and all interest in the monies, and any subsequent interest or income derived therefrom, shall inure entirely to the benefit of the Division pursuant to the terms herein.

8. GENERAL PROVISIONS

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

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

8.3 The Parties have negotiated, jointly drafted and fully reviewed the terms of this Consent Order and the rule that uncertainty or ambiguity is to be construed against the drafter shall not apply to the construction or interpretation of this Consent Order.

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

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

people of the State.

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

8.7 This Consent Order shall be binding upon Respondents as well as their owners, officers, directors, shareholders, founders, managers, agents, servants, employees, representatives, successors and assigns, and any Person through which it may now or hereafter act, as well as any Persons who have authority to control or who, in fact, control and direct their business.

8.8 This Consent Order shall be binding upon the Parties and their successors in interest. In no event shall assignment of any right, power or authority under this Consent Order be used to avoid compliance with this Consent Order.

8.9 This Consent Order is entered into by the Parties for settlement purposes only. Neither the fact of, nor any provision contained in this Consent Order shall be construed as: (a) an approval, sanction or authorization by the Attorney General, the Division or any other governmental unit of the State of any act or practice of the Respondents; or (b) an admission by Respondents that any of their acts or practices described in or prohibited by this Consent Order are unfair or deceptive or violate the CFA and/or the Motor Vehicle Advertising Regulations. Neither the existence of, nor the terms of this Consent Order shall be deemed to constitute evidence or precedent of any kind except in: (a) an action or proceeding by one of the Parties to enforce, rescind or otherwise implement or affirm any or all of the terms herein; or (b) an action or proceeding involving a Released Claim (as defined in Section 9) to support a defense of res judicata, collateral estoppel, release or other theory of claim preclusion, issue preclusion or similar defense.

8.10 Unless otherwise prohibited by law, any signatures by the Parties required for entry of this Consent Order may be executed in counterparts, each of which shall be deemed an original, but

all of which shall together be one and the same Consent Order.

8.11 The Parties Represent and warrant that their signatories to this Consent Order have authority to act for and bind the respective Parties.

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

9. RELEASE

9.1 In consideration of the payments, undertakings, mutual promises and obligations provided for in this Consent Order and conditioned on Respondents providing Restitution in the manner specified in Sections 4 and 5, and making the Settlement Payment in the manner specified in Section 7, the Division hereby agrees to release Respondents from any and all civil claims or Consumer related administrative claims, to the extent permitted by State law, which the Division could have brought prior to the Effective Date against Respondents for violations of the CFA and the Motor Vehicle Advertising Regulations arising out of the Investigation, as well as the matters specifically addressed in this Consent Order ("Released Claims").

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

10. PENALTIES FOR FAILURE TO COMPLY

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

11. COMPLIANCE WITH ALL LAWS

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

- (a) Relieving Respondents of their obligation to comply with all State and Federal laws, regulations or rules, as now constituted or as hereafter may be

amended, or as granting permission to engage in any acts or practices prohibited by such laws, regulations or rules; or

- (b) Limiting or expanding any right the Division may otherwise have to obtain information, documents or testimony from Respondents pursuant to any State or Federal law, regulation or rule, as now constituted or as hereafter may be amended, or limiting or expanding any right Respondent may otherwise have pursuant to any State or Federal law, regulation or rule, to oppose any process employed by the Division to obtain such information, documents or testimony.

12. NOTICES UNDER THIS CONSENT ORDER

12.1 Except as otherwise provided herein, any notices or other documents required to be sent to the Division or Respondents pursuant to this Consent Order shall be sent by United States mail, Certified Mail Return Receipt Requested, or other nationally recognized courier service that provides for tracking services and identification of the Person signing for the documents. The notices and/or documents shall be sent to the following addresses:

For the Division:

Jeffrey Koziar, Deputy Attorney General
State of New Jersey
Office of the Attorney General
Department of Law and Public Safety
Division of Law
124 Halsey Street - 5th Floor
P.O. Box 45029
Newark, New Jersey 07101

For Respondents:

Richard A. West, Esq.
The Law Office of Richard A. West, LLC
30 Columbia Turnpike
P.O. Box 941
Florham Park, New Jersey 07932

Salvatore A. Giampiccolo, Esq.
Walter F. Timpone, Esq.
McElroy, Deutsch, Mulvaney & Carpenter, LLP
1300 Mount Kemble Avenue

Morristown, New Jersey 07962

IT IS ON THE 11th DAY OF July, 2014 SO ORDERED.

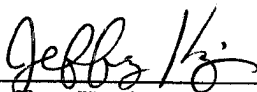
JOHN J. HOFFMAN
ACTING ATTORNEY GENERAL OF NEW JERSEY

By: 
STEVE C. LEE, ACTING DIRECTOR
DIVISION OF CONSUMER AFFAIRS

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

FOR THE DIVISION:

JOHN J. HOFFMAN
ACTING ATTORNEY GENERAL OF NEW JERSEY

By: 
Jeffrey Koziar
Deputy Attorney General
Consumer Fraud Prosecution Section

Dated: July 11, 2014

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

FOR RESPONDENTS

THE LAW OFFICE OF RICHARD A. WEST, LLC

By: Richard A. West
Richard A. West, Esq.
30 Columbia Turnpike- P.O. Box 941
Telephone: (973) 307-0007

Dated: 6/24, 2014

HILLSIDE AUTOMOTIVE INC, FREEHOLD AUTOMOTIVE, LTD, INC.,
FREEHOLD CHRYSLER, INC., HACKETTSTOWN AUTO
SALES, INC., HUDSON AUTO SALES, INC., ROUTE 22 AUTO SALES, INC.,
ROUTE 22 AUTOMOBILES, INC. AND ROUTE 22 NISSAN, INC.

By: _____
Carmelo Giuffre

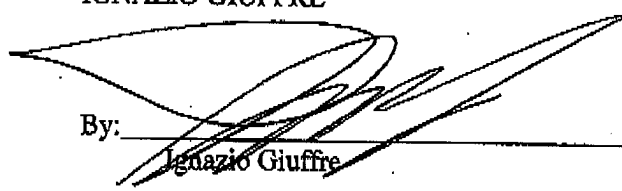
Dated: _____, 2014

CARMELO GIUFFRE

By: _____
Carmelo Giuffre

Dated: _____, 2014

IGNAZIO GIUFFRE

By: 
Ignazio Giuffre

Dated: 6/24, 2014

THE LAW OFFICE OF RICHARD A. WEST, LLC

By: _____

Dated: _____, 2014

Richard A. West, Esq.
30 Columbia Turnpike- P.O. Box 941
Telephone: (973) 307-0007

**HILLSIDE AUTOMOTIVE INC, FREEHOLD AUTOMOTIVE, LTD, INC.,
FREEHOLD CHRYSLER, INC., HACKETTSTOWN AUTO
SALES, INC., HUDSON AUTO SALES, INC., ROUTE 22 AUTO SALES, INC.,
ROUTE 22 AUTOMOBILES, INC. AND ROUTE 22 NISSAN, INC.**

By:  _____

Dated: 7/11 _____, 2014

Carmelo Giuffre

CARMELO GIUFFRE

By:  _____

Dated: 7/11 _____, 2014

Carmelo Giuffre

IGNAZIO GIUFFRE

By: _____

Dated: _____, 2014

Ignazio Giuffre