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ACTING ATTORNEY GENERAL OF NEW JERSEY
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FILED

JUN 18 2013

RAYMOND A. BATTEN, P.J.Ch.

SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION,
ATLANTIC COUNTY
DOCKET NO.: ATL-C-85-12

JOHN J. HOFFMAN, Acting Attorney General of the State of New Jersey, and ERIC T. KANEFSKY, Director of the New Jersey Division of Consumer Affairs,

Plaintiffs,

v.

A. CLASSIC CORPORATION D/B/A A-1 MOTEL; AND JOHN DOES 1-10, individually and as owners, officers, directors, shareholders, founders, managers, agents, servants, employees, representatives and/or independent contractors of A. CLASSIC CORPORATION D/B/A A-1 MOTEL; and XYZ CORPORATIONS 1-10,

Defendants.

FINAL CONSENT JUDGMENT

The parties to this Action and Final Consent Judgment ("Consent Judgment") are plaintiffs John J. Hoffman, Acting Attorney General of the State of New Jersey[1], and Eric T.

[1] This action was commenced on behalf of Jeffrey S. Chiesa, former Attorney General of the State of New Jersey. Pursuant to R. 4:34-4, the caption has been revised to reflect the current Acting Attorney General.

Kanefsky, Director of the New Jersey Division of Consumer Affairs (collectively, "Plaintiffs"), and defendant A. Classic Corporation d/b/a A-1 Motel and its owners, officers, directors, shareholders, founders, managers, agents, servants, employees, representatives and/or independent contractors ("Defendant") (collectively, "Parties"). As evidenced by their signatures below, the Parties do consent to the entry of this Consent Judgment and its provisions without trial or adjudication of any issue of fact or law, and without an admission of any liability or wrongdoing of any kind.

PRELIMINARY STATEMENT

Plaintiffs commenced this Action on November 20, 2012, alleging that Defendant violated the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq. ("CFA"), through its excessive and unjustified price increases (e.g. price gouging) in the sale of hotel rooms after Governor Chris Christie declared a State of Emergency on October 27, 2012, just prior to Tropical Storm Sandy reaching New Jersey. Specifically, Plaintiffs alleged that from October 28, 2012 through October 31, 2012, Defendant charged above the amount permitted by statute on sixteen (16) occasions as follows: (1) one bed rooms – eight (8) instances; (2) two bed rooms – six (6) instances; and (3) efficiency rooms – two (2) instances. Defendant denies the allegations.

The Court has reviewed the terms of this Consent Judgment and based upon the Parties' agreement and for good cause shown:

IT IS HEREBY ORDERED, ADJUDGED AND AGREED AS FOLLOWS:

1. JURISDICTION

1.1 The Parties admit jurisdiction of this Court over the subject matter and over the Parties for the purpose of entering into this Consent Judgment. The Court retains jurisdiction for

the purpose of enabling the Parties to apply to the Court at any time for such further orders and relief as may be necessary for the construction, modification, enforcement, execution or satisfaction of this Consent Judgment.

2. VENUE

2.1 Pursuant to N.J.S.A. 56:8-8, venue as to all matters between the Parties hereto relating to or arising out of this Consent Judgment shall lie exclusively in the Superior Court of New Jersey, Chancery Division, Atlantic County.

3. EFFECTIVE DATE

3.1 This Consent Judgment shall be effective on the date that it is entered with the Court ("Effective Date").

4. DEFINITIONS

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

4.1 "Action" shall refer to the matter titled John J. Hoffman, Acting Attorney General of the State of New Jersey, and Eric T. Kanefsky, Director of the New Jersey Division of Consumer Affairs v. A. Classic Corporation d/b/a A-1 Motel, Superior Court of New Jersey, Chancery Division, Atlantic County, Docket No. ATL-C-85-12, and all pleadings and proceedings related thereto, including the Complaint, filed November 20, 2012.

4.2 "Advertisement" shall be defined in accordance with N.J.S.A. 56:8-1(c). This definition applies to other forms of the word "Advertisement" including, without limitation, "Advertising."

4.3 "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.

4.4 "Consumer" shall refer to any Person who is offered Merchandise for Sale.

4.5 "Division" or "Division of Consumer Affairs" shall refer to the New Jersey Division of Consumer Affairs.

4.6 "Excessive Price Increase" shall be defined in accordance with N.J.S.A. 56:8-108.

4.7 "Merchandise" shall be defined in accordance with N.J.S.A. 56:8-1(c) and includes hotel accommodations.

4.8 "New Jersey" and "State" shall refer to the State of New Jersey.

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

4.10 "Restitution" shall refer to all methods undertaken by Defendant to resolve Consumer complaints including, but not limited to, the issuance of credits or refunds or the reversal of credit card or debit card charges.

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

4.12 "State of Emergency" shall be defined in accordance with N.J.S.A. 56:8-108.

5. INJUNCTIVE RELIEF AND BUSINESS PRACTICES

5.1 Defendant shall not engage in any unfair or deceptive acts or practices in the conduct of any business in the State and shall comply with such State and/or Federal laws, rules

and regulations as now constituted or as may hereafter be amended including, but not limited to, the CFA.

5.2 Defendant shall be permanently enjoined from Advertising, offering for Sale and/or selling Merchandise, specifically hotel rooms, at a price constituting an Excessive Price Increase during a State of Emergency or within thirty (30) days after termination of the State of Emergency, in violation of N.J.S.A. 56:8-109.

6. SETTLEMENT PAYMENT

6.1 On or before the Effective Date, Defendant shall pay the amount of Ten Thousand and 00/100 Dollars ($10,000.00) ("Settlement Payment").

6.2 The Settlement Payment comprises Five Thousand Three Hundred Seventy-Eight and 42/100 Dollars ($5,378.42) in civil penalties, pursuant to N.J.S.A. 56:8-13, Two Hundred Eighty-Two and 94/100 Dollars ($282.94) in Consumer Restitution, pursuant to N.J.S.A. 56:8-8, and Three Thousand Thirty-Seven and 50/100 Dollars ($3,037.50) in reimbursement of Plaintiffs' attorneys' fees and One Thousand Three Hundred One and 14/100 Dollars ($1,301.14) in reimbursement of Plaintiffs' investigative costs, pursuant to N.J.S.A. 56:8-11 and N.J.S.A. 56:8-19.

6.3 The Settlement Payment shall be made by bank check, attorney trust account check or other guaranteed funds made payable to "New Jersey Division of Consumer Affairs" and shall be forwarded to the undersigned:

Glenn T. Graham, Deputy Attorney General
Consumer Fraud Prosecution Section
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

6.4 Upon making the Settlement Payment, Defendant 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 Plaintiffs pursuant to the terms herein.

7. DISMISSAL OF ACTION

7.1 The entry of this Consent Judgment constitutes a dismissal with prejudice of the Action.

8. GENERAL PROVISIONS

8.1 This Consent Judgment 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 Judgment.

8.2 This Consent Judgment 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 Judgment 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 Judgment.

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

8.5 Except as otherwise explicitly provided for in this Consent Judgment, 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 Judgment is held invalid or unenforceable by operation of law, the remaining terms of this Consent Judgment shall not be affected.

8.7 This Consent Judgment 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 Judgment avoid compliance with this Consent Judgment.

8.8 This Consent Judgment is agreed to by the Parties and entered into for settlement purposes only. Neither the fact of, nor any provision contained in this Consent Judgment nor any action taken hereunder shall constitute, or 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 Defendant; and (b) an admission by the Defendant that any of its acts or practices described in or prohibited by this Consent Judgment are unfair or deceptive or violate any of the Consumer protection laws of the State. This Consent Judgment is not intended, and shall not be deemed, to constitute evidence or precedent of any kind except in: (a) any action or proceeding by one of the Parties to enforce, rescind or otherwise implement or affirm any or all of the terms of this Consent Judgment; or (b) any 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.

8.9 Nothing contained in this Consent Judgment shall be construed to limit or otherwise affect the rights of any Persons who are not Parties to this Consent Judgment with respect to any of the matters contained herein.

8.10 The Parties represent and warrant that their signatories to this Consent Judgment have authority to act for and bind the respective Parties.

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

9. RELEASE

9.1 In consideration of the injunctive relief, payments, undertakings, mutual promises and obligations provided for in this Consent Judgment and conditioned on Defendant making the Settlement Payment in the manner referenced in Section 6, Plaintiffs hereby agree to release Defendant from any and all civil claims or Consumer related administrative claims, to the extent permitted by State law, which the Plaintiffs could have brought prior to the Effective Date against Defendant for violations of the CFA as alleged in the Action, as well as the matters specifically addressed in Section 5.2 of the Consent Judgment ("Released Claims").

9.2 Notwithstanding any term of this Consent Judgment, the following do not comprise Released Claims: (a) private rights of action, provided however, that nothing herein shall prevent Defendant from raising the defense of set-off against a Consumer who has received Restitution; (b) actions to enforce this Consent Judgment; and (c) any claims against Defendant 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 Judgment or to seek sanctions for violations hereof or both.

11. COMPLIANCE WITH ALL LAWS

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

(a) Relieving Defendant of its obligations to comply with all State and Federal laws, regulations or rules, as now constituted or as may hereafter be amended, or as granting permission to engage in any acts or practices prohibited by any such laws, regulations or rules; or

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

12. NOTICES UNDER THIS CONSENT JUDGMENT

12.1 Except as otherwise provided herein, any notices or other documents required to be sent to the Parties pursuant to this Consent Judgment shall be sent by the 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 Plaintiffs:

Glenn T. Graham, Deputy Attorney General
Consumer Fraud Prosecution Section
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 the Defendant:

William A. Thompson, III, Esq.
Callaghan, Thompson & Thompson, P.A.
2428 Atlantic Avenue
Atlantic City, New Jersey 08401

IT IS ON THE 18th DAY OF June 2013 SO ORDERED, ADJUDGED AND DECREED.

HON. RAYMOND A. BATTEN, III, P.J., Ch.

JOINTLY APPROVED AND
SUBMITTED FOR ENTRY:

FOR THE PLAINTIFFS:

JOHN J. HOFFMAN
ACTING ATTORNEY GENERAL OF NEW JERSEY

By: _____ Dated: June 18, 2013

Glenn T. Graham
Deputy Attorney General
Consumer Fraud Prosecution Section

124 Halsey Street - 5th Floor
P.O. Box 45029
Newark, New Jersey 07101
Telephone: (973) 648-4846

FOR DEFENDANT:

WILLIAM A. THOMPSON, III, ESQ.
CALLAGHAN, THOMPSON & THOMPSON, P.A.

By: _____ Dated: June 11 2013

William A. Thompson, III, Esq.
Callaghan, Thompson & Thompson, P.A.
2428 Atlantic Avenue
Atlantic City, New Jersey 08401

Telephone: (609) 348-5300

A. CLASSIC CORPORATION

By: _____ Dated: June 11 2013

Ashok Sutaria
Title: Manager