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Filed
Margaret Mary McVeigh, P.J.Ch.
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SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION, PASSAIC COUNTY
DOCKET NO. PAS-C-43-12

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.

THE RED CARPET PAGEANT AND PROM LLC d/b/a THE RED
CARPET, THE RED CARPET BRIDAL AND PROM, RED CARPET
PROM AND PAGEANT PLACE, THE RED PROM AND PAGEANT,
PAGEANT PROM PLACE, PROM AND PAGEANT and/or RED
CARPET TUXEDOS; PROM AND PAGEANT PLACE LIMITED
LIABILITY COMPANY d/b/a THE RED CARPET PAGEANT AND
PROM, THE RED CARPET, THE RED CARPET BRIDAL AND PROM,
RED CARPET PROM AND PAGEANT PLACE, THE RED PROM AND
PAGEANT, PAGEANT PROM PLACE, PROM AND PAGEANT and/or
RED CARPET TUXEDOS; PATRICIA A. DOWLING, individually and as
owner, officer, director, manager, employee, representative and/or agent of
THE RED CARPET PAGEANT AND PROM LLC and PROM AND
PAGEANT PLACE LIMITED LIABILITY COMPANY; MICHAEL J.
DOWLING, individually and as owner, officer, director, manager, employee,
representative and/or agent of THE RED CARPET PAGEANT AND PROM
LLC and PROM AND PAGEANT PLACE LIMITED LIABILITY
COMPANY; JANE AND JOHN DOES 1-20, individually and as owners,
officers, directors, shareholders, founders, managers, agents, servants,
employees, representatives and/or independent contractors of THE RED
CARPET PAGEANT AND PROM LLC and/or PROM AND PAGEANT
PLACE LIMITED LIABILITY COMPANY; and XYZ CORPORATIONS
1-20,

Defendants.

Civil Action

**FINAL
JUDGMENT BY
DEFAULT AND
ORDER**

THIS MATTER was opened to the Court on the application of plaintiffs Jeffrey S. Chiesa, Attorney General of the State of New Jersey ("Attorney General"), and Eric T. Kanefsky, Acting Director of the New Jersey Division of Consumer Affairs ("Director") (collectively, "Plaintiffs"), (by Nicholas Kant, Deputy Attorney General, appearing), by way of a Complaint filed on June 5, 2012, alleging that defendants The Red Carpet Pageant and Prom LLC d/b/a The Red Carpet, The Red Carpet Bridal and Prom, Red Carpet Prom and Pageant Place, The Red Prom and Pageant, Pageant Prom Place, Prom and Pageant and/or Red Carpet Tuxedos ("Red Carpet Pageant and Prom"), Patricia A. Dowling, individually and as owner, officer, director, manager, employee, representative and/or agent of Red Carpet Pageant and Prom and Prom and Pageant Place ("P. Dowling") and Michael J. Dowling, individually and as owner, officer, director, manager, employee, representative and/or agent of Red Carpet Pageant and Prom and Prom and Pageant Place ("M. Dowling") engaged in conduct in violation of the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq. ("CFA").

On June 28, 2012, Plaintiffs filed a First Amended Verified Complaint which added Prom and Pageant Place Limited Liability Company d/b/a The Red Carpet Pageant and Prom, The Red Carpet, The Red Carpet Bridal and Prom, Red Carpet Prom and Pageant Place, The Red Prom and Pageant, Pageant Prom Place, Prom and Pageant and/or Red Carpet Tuxedos ("Prom and Pageant Place") as a defendant.

Red Carpet Pageant and Prom, Prom and Pageant Place, P. Dowling, individually and as owner, officer, director, manager, employee, representative and/or agent of Red Carpet Pageant and Prom and Prom and Pageant Place, and M. Dowling, individually and as owner, officer, director,

manager, employee, representative and/or agent of Red Carpet Pageant and Prom and Prom and Pageant Place (collectively, "Defendants") failed to file an Answer.

On August 24, 2012, due to their failure to file Answers, the Court entered default against: (1) Red Carpet Pageant and Prom; (2) Prom and Pageant Place; (3) P. Dowling, individually; and (4) M. Dowling, individually. On September 10, 2012, due to their failure to file Answers, the Court entered default against: (1) P. Dowling as owner, officer, director, manager, employee, representative and/or agent of Red Carpet Pageant and Prom and Prom and Pageant Place; and (2) M. Dowling as owner, officer, director, manager, employee, representative and/or agent of Red Carpet Pageant and Prom and Prom and Pageant Place.

To date, neither Red Carpet Pageant and Prom, Prom and Pageant Place, P. Dowling, individually and as owner, officer, director, manager, employee, representative and/or agent of Red Carpet Pageant and Prom and Prom and Pageant Place, nor M. Dowling, individually and as owner, officer, director, manager, employee, representative and/or agent of Red Carpet Pageant and Prom and Prom and Pageant Place have moved to vacate the defaults entered against them.

THIS COURT NOW FINDS THAT:

A. The Court has jurisdiction over the subject matter of this action and over the named Defendants.

B. Based upon all of the evidence submitted by Plaintiffs, including the Certification of Nicholas Kant with accompanying exhibits, and the Certification of Donna Y. Leslie with accompanying exhibits, the Defendants have engaged in conduct which comprises 50 violations of the CFA, with the following breakdown: (a) Unconscionable Commercial Practices (N.J.S.A. 56:8-

2) – twenty-nine (29) violations; and (b) Deception, False Promises and Misrepresentations (N.J.S.A. 56:8-2) – twenty-one (21) violations.

THEREFORE, IT IS on this 13th day of February, 2013:

1. **ORDERED** that the acts and omissions of Defendants constitute unconscionable commercial practices, deception, false promises and/or misrepresentations, in violation of the CFA, N.J.S.A. 56:8-2.

2. **IT IS FURTHER ORDERED** that Defendants and their owners, officers, directors, shareholders, founders, managers, agents, servants, employees, representatives, independent contractors, attorneys, corporations, subsidiaries, affiliates, successors, assigns and all other persons or entities directly under their control or under common control with them and all other persons or entities in active concert or participation with them are permanently enjoined 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.

3. **IT IS FURTHER ORDERED** that, pursuant to the CFA, N.J.S.A. 56:8-8, P. Dowling is permanently enjoined from managing or owning any business organization in the State of New Jersey (“State” or “New Jersey”) and from serving as an officer, director, trustee, member of an executive board or similar governing body, principal, manager, and/or stockholder owning 10% or more of the aggregate outstanding capital stock of all classes of any corporation doing business in the State.

4. **IT IS FURTHER ORDERED** that, pursuant to the CFA, N.J.S.A. 56:8-8, the corporate charter of Prom and Pageant Place is permanently vacated and/or annulled in the State.

5. **IT IS FURTHER ORDERED** that Defendants are permanently enjoined from engaging in the advertisement, offering for sale and/or sale of pageant and/or prom dresses and/or other formal wear.

6. **IT IS FURTHER ORDERED** that Defendants are permanently enjoined from engaging in the advertisement of merchandise, particularly pageant and/or prom dresses, to consumers within and outside the State among other things, through their internet website, www.theredcarpetprom.com.

7. **IT IS FURTHER ORDERED** that, pursuant to the CFA, N.J.S.A. 56:8-8, from the \$8,949.00 auction proceeds being held by the Receiver, \$ 2,924.99 shall be paid to the New Jersey Division of Consumer Affairs ("Division") so that the Division may pay restitution to affected consumers. The funds paid to the Division pursuant to this section of the Final Judgment by Default and Order ("Judgment and Order") shall be used for equitable relief including, but not limited to, consumer redress and any attendant expenses for the administration of any redress fund. If Plaintiffs determine, in their sole discretion, that redress to consumers is wholly or partially impracticable, any funds not so used shall be retained by the Division in lieu of redress. Defendants shall have no right to contest the manner of distribution chosen by Plaintiffs. Plaintiffs in their sole discretion may use a designated agent to administer consumer redress.

8. **IT IS FURTHER ORDERED** that the \$ 6,024.01 remaining from the auction proceeds shall be paid to the Receiver's law firm, Greenbaum, Rowe, Smith & Davis LLP.

9. **IT IS FURTHER ORDERED** that \$ 16,041.44 is entered as a judgment in favor of the Receiver's law firm, Greenbaum, Rowe, Smith & Davis LLP, and against Defendants, jointly and severally.

10. **IT IS FURTHER ORDERED** that, pursuant to the CFA, N.J.S.A. 56:8-13, Defendants, jointly and severally, shall pay to the Division civil penalties in the total amount of \$ 119,000.

11. **IT IS FURTHER ORDERED** that, pursuant to the CFA, N.J.S.A. 56:8-19, Defendants, jointly and severally, shall reimburse Plaintiffs for all attorneys' fees incurred in the prosecution of this action, in the total amount of \$ 14,257.50

12. **IT IS FURTHER ORDERED** that, pursuant to the CFA, N.J.S.A. 56:8-11, Defendants, jointly and severally, shall reimburse Plaintiffs for their investigative costs, in the total amount of \$ 7,900.59

13. **IT IS FURTHER ORDERED** that the Receiver, Andrea Sullivan, Esq. of Greenbaum, Rowe, Smith & Davis LLP, is hereby discharged.

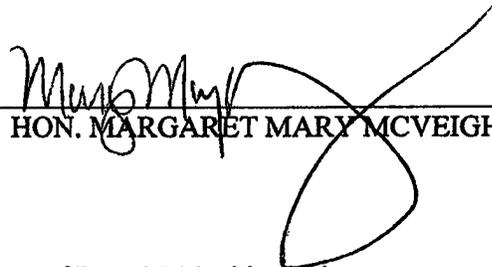
14. **IT IS FURTHER ORDERED** that for a period of one (1) month from the date of this Judgment and Order, Plaintiffs shall make available for pick up by Defendants the paper documents and three (3) hard drives taken from their retail location in Wayne, New Jersey. If Defendants fail to contact Plaintiffs, Plaintiffs shall dispose of the paper documents and three (3) hard drives in a manner that will not compromise any personal identifying information contained therein.

15. **IT IS FURTHER ORDERED** that nothing contained in this Judgment and Order, including the Court's determinations herein, shall bind or affect the rights of any persons not a party hereto, or preclude actions against any unnamed parties.

16. **IT IS FURTHER ORDERED** that nothing contained in this Judgment and Order shall bind or affect any position which any party may take in future or unrelated actions.

17. **IT IS FURTHER ORDERED** that this Judgment and Order may be enforced only by Plaintiffs or Defendants or their successors hereto.

18. **IT IS FURTHER ORDERED** that this Court retains jurisdiction for the purpose of enabling Plaintiffs or Defendants to apply to this Court for any such further orders and directions as may be necessary and appropriate for the enforcement of, or compliance with, this Judgment and Order.


HON. MARGARET MARY MCVEIGH, P.J.CH.

In accordance with the required statement of R. 1:6-2(a), this motion was _____ opposed
_____ unopposed.