

FILED

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RAYMOND A. BATTEN, P.J.Ch.

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Division of Law
124 Halsey Street - 5th Floor
P.O. Box 45029
Newark, New Jersey 07101
Attorney for Plaintiffs

By: Natalie A. Serock (040892010)
Deputy Attorney General
[REDACTED]

SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION, ATLANTIC
COUNTY
DOCKET NO. ATL-C-46-13

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.

DEVSATYA, INC. d/b/a STUDIO INN & SUITES; JANE AND JOHN DOES 1-10, individually and as owners, officers, directors, shareholders, founders, managers, agents, servants, employees, representatives and/or independent contractors of DEVSATYA, INC. d/b/a STUDIO INN & SUITES; and XYZ CORPORATIONS 1-10,

Defendants.

Civil Action

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 ("Attorney General"),¹ and Eric T. Kanefsky, Director of the New Jersey Division of Consumer Affairs

¹ This action was commenced on behalf of Jeffrey S. Chisari, former Attorney General, and the Director. In accordance with R. 4:34-4, the caption has been revised to reflect the current Acting Attorney General.

("Director") (collectively, "Plaintiffs"), and defendant Devsatya, Inc. d/b/a Studio Inn & Suites ("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 May 10, 2013, alleging that Defendant violated the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq. ("CFA"), by the Advertisement offering for Sale and Sale of hotel rooms at excessive and unjustified price increases (e.g. price gouging) after Governor Chris Christie declared a State of Emergency on October 27, 2012, just prior to Tropical Storm Sandy reaching New Jersey. Specifically, Plaintiffs allege that from October 27, 2012 through November 13, 2012, Defendant sold one hundred eighty-three (183) rooms at an Excessive Price Increase. 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. Hoffmann, Acting Attorney General of the State of New Jersey, and Eric T. Kanefsky, Director of the New Jersey Division of Consumer Affairs v. Devsatva, Inc. d/b/a Studio Inn & Suites, Superior Court of New Jersey, Chancery Division, Atlantic County, Docket No. ATL-C-46-11, and all pleadings and proceedings related thereto, including the Complaint, filed May 10, 2013.

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

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 AMOUNT

6.1 The Parties have agreed to a settlement of the Action in the amount of Forty-Eight Thousand Seven Hundred Twenty-Nine and 82/100 Dollars (\$48,729.82) ("Settlement Amount").

6.2 The Settlement Amount comprises Forty-Two Thousand Five Hundred Seventy-Five and 50/100 Dollars (\$42,575.50) in civil penalties, pursuant to N.J.S.A. 56:8-13, One Thousand Four Hundred Three and 49/100 Dollars (\$1,403.49) in Restitution, pursuant to N.J.S.A. 56:8-8, and Four Thousand One Hundred Thirty-Nine and 56/100 Dollars (\$4,139.66) in reimbursement of the Plaintiffs' attorneys' fees and Six Hundred Eleven and 17/100 Dollars (\$611.17) in reimbursement of the Plaintiffs' investigative costs, pursuant to N.J.S.A. 56:8-11 and N.J.S.A. 56:8-19.

6.3 Plaintiffs agree to suspend Twenty-Three Thousand Seven Hundred Twenty-Nine and 82/100 Dollars (\$23,729.82) of the civil penalty portion of the Settlement Amount ("Suspended Penalty"), subject to the conditions set forth in Section 6.7.

6.4 Within thirty (30) business days following the Effective Date, Defendant shall pay Twenty-Five Thousand and 00/100 Dollars (\$25,000.00) of the Settlement Amount ("Settlement Payment").

6.5 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:

Natalie A. Scrock, 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

6.6 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.

6.7 The Suspended Penalty shall be automatically vacated at the end of two (2) years from the Effective Date, provided:

- (a) Defendant complies in all material respects with the injunctive relief and business practices set forth in Section 5; and
- (b) Defendant makes the Settlement Payment in the manner required under Sections 6.4 and 6.5.

6.8 In the event Defendant materially fails to comply with Section 6.7, Plaintiffs shall provide Defendant with notice seeking payment of the entire Suspended Penalty, as well as any unpaid portion of the Settlement Payment. In any such notice, however, Plaintiffs shall provide Defendant with the specific details of Defendant's alleged noncompliance, as well as any supporting documents. Defendant shall be afforded a fifteen (15) day period from receipt of such notice within which to cure any such noncompliance.

6.9 In the event of Defendant's failure to cure any such noncompliance, Plaintiffs may move on notice or by Order to Show Cause to have a Judgment entered for the Suspended Penalty, as well as any unpaid portion of the Settlement Payment. Defendant shall have the right to submit opposition to any motion or Order to Show Cause application filed by Plaintiffs and to

contest same on any return date. Upon entry by the Court of any such Judgment, Plaintiffs shall then arrange for entry of such Judgment upon the Statewide docket.

6.10 Upon request by or on behalf of the Defendant and the vacating of the Suspended Penalty, Plaintiffs shall provide Defendant with a Warrant of Satisfaction of the Settlement Amount. Such Warrant of Satisfaction shall have no effect upon Defendant's continuing obligations under any other provision of this Consent Judgment.

7. GENERAL PROVISIONS

7.1 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.

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

7.3 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.

7.4 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.

7.5 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.

7.6 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.

7.7 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.

7.8 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: (i) 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.

7.9 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.

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

7.11 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.

7.12 Defendant represents and warrants that it has been advised by Plaintiffs to seek legal counsel to review this Consent Judgment and that it has voluntarily chosen not to do so.

8. RELEASE

8.1 In consideration of the injunctive relief, payments, undertakings, mutual promises and obligations provided for in this Consent Judgment and conditions 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").

8.2 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.

9. PENALTIES FOR FAILURE TO COMPLY

9.1 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.

10. COMPLIANCE WITH ALL LAWS

10.1 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.

11. NOTICES UNDER THIS CONSENT JUDGMENT

11.1 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:

Natalie A. Serock, Deputy Attorney General
Consumer Fraud Prosecution Section
State of New Jersey
Office of the Attorney General

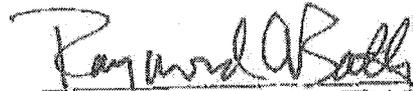
Department of Law and Public Safety
Division of Law
124 Halsey Street - 5th Floor
P.O. Box 45029
Newark, New Jersey 07101

For the Defendant:

William J. Polistina, Esq.
408 New Jersey Avenue
P.O. Box 1611
Absecon, New Jersey 08201

Archana Dasandi, President
Devsatya, Inc. d/b/a Studio Inn & Suites
257 East White Horse Pike
Galloway, New Jersey 08205

IT IS ON THE 7th DAY OF October, 2013 SO ORDERED,
ADJUDGED AND DECREED.

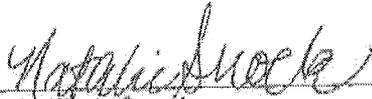


HON. RAYMOND A. FATTEN, P.J.Ch.

JOINTLY APPROVED AND
SUBMITTED FOR ENTRY:

FOR THE PLAINTIFFS:

JOHN J. HOFFMAN
ACTING ATTORNEY GENERAL OF NEW JERSEY

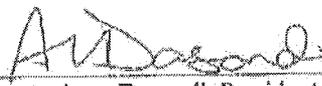
By:  Dated: October 7 2013
 Natalie A. Serock
 Deputy Attorney General
 Consumer Fraud Prosecution Section
 124 Halsey Street - 5th Floor
 P.O. Box 45029
 Newark, New Jersey 07101
 Telephone: (973) 648-3070

FOR DEFENDANT:

WILLIAM J. POLISTINA, ESQ.

By:  Dated: 10/3 2013
 William J. Polistina, Esq.
 408 New Jersey Avenue
 P.O. Box 1611
 Absecon, New Jersey 08201
 Telephone: (609) 441-1611

DEVSATYA, INC.

By:  Dated: 10/11 2013
 Archana Dasandi, President
 Devsatya, Inc. d/b/a Studio Inn & Suites
 257 East White Horse Pike
 Galloway, New Jersey 08205
 Telephone: (609) 289-6182