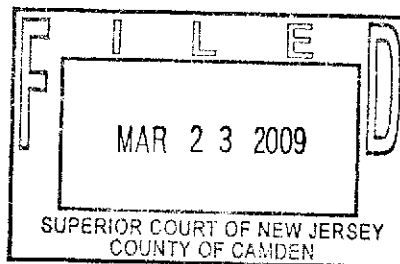


ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY
Division of Law
124 Halsey Street - 5th Floor
P.O. Box 45029
Newark, New Jersey 07101
Attorneys for Plaintiffs

By: Lorraine K. Rak
Gina M. Betts
Deputy Attorneys General
(973) 877-1280 / (973) 648-3070



SUPERIOR COURT OF NEW JERSEY
LAW DIVISION, CAMDEN COUNTY
DOCKET NO. L-006482-07

ANNE MILGRAM, Attorney General of the
State of New Jersey, and DAVID M.
SZUCHMAN, Director of the New Jersey
Division of Consumer Affairs,

Plaintiffs,

v.

FOULKE MANAGEMENT CORP. d/b/a
CHERRY HILL TRIPLEX, CHERRY HILL
DODGE, CHERRY HILL JEEP EAGLE,
CHERRY HILL KIA, MT. EPHRAIM
CHRYSLER DODGE, CHERRY HILL
MITSUBISHI, JANE AND JOHN DOES 1-10,
individually and as owners, officers, directors,
shareholders, founders, managers, agents,
servants, employees, representatives and/or
independent contractors of FOULKE
MANAGEMENT CORP. d/b/a CHERRY HILL
TRIPLEX, CHERRY HILL DODGE, CHERRY
HILL JEEP EAGLE, CHERRY HILL KIA, MT.
EPHRAIM CHRYSLER DODGE, CHERRY
HILL MITSUBISHI and XYZ
CORPORATIONS 1-10,

Defendants.

Civil Action

FINAL CONSENT JUDGMENT

TRUE COPY

A handwritten signature in black ink, appearing to read "Frederick J. Schuck".

Frederick J. Schuck, J.S.C.

WHEREAS The parties to this action (“Action”) and Final Consent Judgment (“Consent Judgment”) are plaintiffs Anne Milgram, Attorney General of the State of New Jersey, and David M. Szuchman, Director of the New Jersey Division of Consumer Affairs (collectively, “Plaintiffs”),¹ and defendant Foulke Management Corp. d/b/a Cherry Hill Triplex, Cherry Hill Dodge, Cherry Hill Jeep Eagle, Cherry Hill Kia, Mt. Ephraim Chrysler Dodge and Cherry Hill Mitsubishi (“Defendant”);

WHEREAS the Plaintiffs have asserted claims against Defendant in its operation of Cherry Hill Triplex, Cherry Hill Dodge, Cherry Hill Jeep Eagle, Cherry Hill Kia, Mt. Ephraim Chrysler Dodge and Cherry Hill Mitsubishi for alleged violations of the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq. (“CFA”), the Regulations Governing Motor Vehicle Advertising Practices, N.J.A.C. 13:45A-26A.1 et seq. (“Motor Vehicle Advertising Regulations”), Used Car Lemon Law, N.J.S.A. 56:8-67 et seq. (“UCLL”), and Used Car Lemon Law Regulations, N.J.A.C. 13:45A-26F.1 et seq. (“UCLL Regulations”);

WHEREAS Defendant denies having committed any violation of law including, but not limited to, the CFA, Motor Vehicle Advertising Regulations, UCLL and UCLL Regulations; and

WHEREAS the Plaintiffs and Defendant (collectively, the “Parties”) have reached an amicable agreement resolving the Action without trial or adjudication of any issue of fact or law, and without an admission of liability or wrongdoing of any kind. The Parties enter into this

¹ This action was commenced on behalf of former Attorney General Zulima Farber and Kimberly S. Ricketts, former Director of the New Jersey Division of Consumer Affairs (“Division”). Pursuant to R. 4:34-4, the caption has been revised to reflect the current Attorney General and Director of the Division.

Consent Judgment to avoid the expenses and uncertainty associated with further investigation and/or litigation.

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 this Court at any time for such further orders and relief as may be necessary for the construction or enforcement 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, Law Division, Camden 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. NO ADMISSION OF LIABILITY

4.1 The Parties enter into this Consent Judgment to settle disputed claims and to avoid the cost, expense, distraction, uncertainty, delay and inconvenience that would be associated with the continued litigation of this Action. Neither the fact of, nor any provision contained in this Consent Judgment nor any action taken thereunder shall constitute, or be construed as: (a) an admission by Defendant that any of its acts or practices described in or prohibited by this Consent Judgment are unfair or deceptive or violate the CFA, Motor Vehicle

Advertising Regulations, UCLL and UCLL Regulations as well as any other Consumer protection laws of the State of New Jersey (“State”); (b) a concession by Defendant as to the validity of the Action; and (c) 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. Neither the existence of, nor the terms of this Consent Judgment shall be deemed to constitute evidence or precedent of any kind in any action against Defendant, except in any action or proceeding by one of the Parties to enforce or otherwise interpret any or all of the terms herein. The Plaintiffs and Defendant have the sole standing to allege any breach of this Consent Judgment.

5. DEFINITIONS

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

5.1 “Additional Consumer” shall refer to any Consumer who submits to the Division directly or through another agency, after the Effective Date, a written Consumer complaint concerning Defendant’s business practices.

5.2 “ADR Unit” shall refer to the Alternative Dispute Resolution Unit of the Division.

5.3 “Advertisement” shall be defined in accordance with N.J.S.A. 56:8-1(a). For purposes of the Motor Vehicle Advertising Regulations, “Advertisement” shall be defined in accordance with N.J.A.C. 13:45A-26A.3.

5.4 “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.

5.5 “CALA” shall refer to Consumer Affairs Local Assistance offices within counties and/or municipalities in the State.

5.6 “Clear and Conspicuous” or “Clearly and Conspicuously” shall mean a statement that, regardless of the medium in which it is made, compared to the other information with which it is presented, and that is readily apparent and understandable and in language and terms used in accordance with their common or ordinary usage and meaning.

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

5.8 “Division” or “Division of Consumer Affairs” shall refer to the New Jersey Division of Consumer Affairs.

5.9 “Misrepresent” shall mean to give a false or misleading representation of.

5.10 “Monroney label” shall be defined in accordance with N.J.A.C. 13:45A-26A-3.

5.11 “Motor Vehicle” shall be defined in accordance with N.J.A.C. 13:45A-26A-3.

5.12 “M.S.R.P.” shall refer to manufacturers suggested retail price.

5.13 “MVC” shall refer to the New Jersey Motor Vehicle Commission, formerly known as the New Jersey Division of Motor Vehicles, commonly known as DMV.

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

5.15 “Represent” shall mean to present, describe, state or set forth through statements, conduct, graphics, language and/or documents.

5.16 “Restitution” shall refer to all methods undertaken by Defendant to resolve 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 Additional Consumer complaint resolution process set forth in Section 7.

5.17 "Sales Document" shall be defined in accordance with N.J.A.C. 13:45A-26B.1.

5.18 "Used Motor Vehicle" shall be defined in accordance with N.J.A.C. 13:45A-26F.2.

5.19 "Website" means the website located at www.cherryhilltriplex.com and any other website maintained by or on behalf of Defendant.

6. INJUNCTIVE RELIEF AND BUSINESS PRACTICES

6.1 Defendant shall not engage in any deceptive acts or practices in the conduct of its 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, the Motor Vehicle Advertising Regulations, the UCLL and the UCLL Regulations.

6.2 Defendant shall honor all Advertised sale and/or lease prices, terms and/or conditions of a Motor Vehicle sale, with the understanding that negative equity and other factors (i.e. interest rate) may result in a higher sales price appearing on Sales Documents.

6.3 In any Advertisement, Defendant shall not Represent an unconditional or guaranteed promotion (i.e. trade-in allowance) and then fail to honor the terms of such promotion.

6.4 Defendant shall not Represent, in an Advertisement or otherwise, that a promotion (i.e. trade-in allowance) is guaranteed or unconditional, if such is not the case.

6.5 Defendant shall not Represent, in an Advertisement or otherwise, that Consumers are automatically approved for or otherwise guaranteed financing, and then fail to arrange for financing.

6.6 Defendant shall not Represent, in an Advertisement or otherwise, that it will obtain financing without a credit check, if such is not the case.

6.7 Defendant shall not Misrepresent to Consumers that their credit has been approved by a particular financial institution, if such is not the case.

6.8 Defendant shall not Misrepresent in Advertisements the number of Motor Vehicles that are available for sale or lease at an Advertised price.

6.9 Defendant shall not Represent, in an Advertisement or otherwise, that a Motor Vehicle is available for sale or lease, when the Motor Vehicle has already been sold or leased. Defendant shall remove from its Website any Motor Vehicle within thirty-six (36) hours of its sale or lease, not including Saturdays and Sundays.

6.10 Defendant shall not advertise a Motor Vehicle as part of a plan or scheme not to sell the Motor Vehicle or not to sell the Motor Vehicle at the advertised price, in accordance with N.J.S.A. 56:8-2.2 and N.J.A.C. 13:45A-26A.4.

6.11 Defendant shall not advertise a new Motor Vehicle which does not have Monroney Label, if such is required under federal law, in accordance with N.J.A.C. 13:45A-26A.9 (b).

6.12 In accordance with the December 19, 2008 ruling of the Honorable Frederick J. Schuck, J.S.C., Defendant shall not offer for sale or sell any Motor Vehicle unless the total selling price is plainly marked by a stamp, tag, label, or sign either affixed to the Motor Vehicle

or located at the point where the Motor Vehicle is offered for sale, in accordance with N.J.S.A. 56:8-2.5.

6.13 Defendant shall not sell any Motor Vehicle unaccompanied by, or in the absence of, a valid title at the time of the transaction, in accordance with N.J.A.C. 13:21-15.6(b).

6.14 Defendant shall not Misrepresent or fail to disclose to Consumers the material terms and conditions of a negotiated sale or lease deal as set forth in the Sales Documents.

6.15 Defendant shall undertake a search of AUTOCHECK or a similar service, to discern the prior use (i.e. rental) of a Motor Vehicle offered for sale or lease. Defendant shall disclose such information to Consumers, prior to their purchase or lease of the Motor Vehicle.

6.16 Defendant shall undertake a search of AUTOCHECK or a similar service, to discern whether a Motor Vehicle offered for sale or lease has been involved in an accident or otherwise sustained damage. Defendant shall disclose such information to Consumers, prior to their purchase or lease of the Motor Vehicle.

6.17 Defendant shall not Misrepresent to Consumers that certain products (i.e. GAP coverage, service contracts and/or Credit Life Insurance) are mandatory, when in fact they are not.

6.18 Defendant shall not Misrepresent the final down payment or monthly payment that a Consumer will be required to make for the sale or lease of a Motor Vehicle in the Sales Document.

6.19 Defendant shall accurately reflect in the Sales Documents the agreed-upon trade-in allowances and/or deposits made by Consumers for Motor Vehicle sales and/or leases.

6.20 Within thirty (30) days of taking possession of a Consumer's trade-in Motor Vehicle and the consummation of the sale or lease transaction, Defendant shall pay the full amount of the outstanding loan on that Motor Vehicle. Defendant's obligations under this Section will be subject to the passage of S2961 or any other legislation addressing a Motor Vehicle dealer's pay-off of a trade-in Motor Vehicle.

6.21 Defendant shall provide Consumers with an opportunity to review all Sales Documents prior to signing.

6.22 At the time of sale or lease, Defendants shall provide Consumers with a full and accurate copy of all Sales Documents signed by said Consumers, as required by N.J.S.A. 56:8-2.22.

6.23 Defendant shall not reproduce a Consumer's signature on any Sales Document.

6.24 Defendant shall not Misrepresent any financial or other information concerning a Consumer on any Sales Document.

6.25 Defendant shall immediately return a Consumer's check or reverse a credit card charge after the Consumer has cancelled the sale or lease transaction and has not executed any Sales Documents and has not taken possession of, or has returned, the Motor Vehicle subject to such transaction.

6.26 Defendants shall make available a Consumer's deposit no later than thirty-six (36) hours after the Consumer has cancelled the sale or lease transaction and has not taken possession of, or has returned, the Motor Vehicle subject to such transaction and after verification that the Consumer's deposit has cleared. The thirty-six (36) hour period excludes Saturdays and Sundays.

6.27 Defendant shall make available a Consumer's trade-in Motor Vehicle immediately after the Consumer has cancelled the sale or lease transaction and has not executed any Sales Documents and has not taken possession of, or has returned, the Motor Vehicle subject to such transaction, among other things, due to a failure to obtain financing.

6.28 Defendant shall make available a Consumer's trade-in Motor Vehicle within thirty-six (36) hours after the Consumer has cancelled the sale or lease transaction and has not taken possession of, or has returned, the Motor Vehicle subject to such transaction. If such cancellation occurs due to a failure to obtain financing, the thirty-six (36) hour period begins to run from Defendant's receipt of notice from the financing institution of non-acceptance of the contract assignment. The thirty-six (36) hour period excludes Saturdays and Sundays.

6.29 Defendant shall provide Consumers with title and registration to a Motor Vehicle prior to the expiration of temporary title and/or registration only if financing is approved within seven (7) days of the date the Sales Documents are signed.

6.30 In its Advertisement of Motor Vehicles, Defendant shall not use any type size, location, illustration, graphic depiction or color so as to obscure or make misleading any material facts, in accordance with N.J.A.C. 13:45A-26A.7(a)1.

6.31 In its Advertisement of Motor Vehicles, Defendant shall not fail to set forth adjacent to an advertised price whether it has been calculated by deducting a manufacturer's rebate or dealer's discount, in accordance with N.J.A.C. 13:45A-26A.7(a)(3).

6.32 In its Advertisement of Motor Vehicles, Defendant shall state all disclaimers, qualifiers or limitations that in fact limit, condition, or negate a purported unconditional offer

(i.e. low APR or high trade-in amount), Clearly and Conspicuously, next to the offer and not in a footnote identified by an asterisk, in accordance with N.J.A.C. 13:45A-26A.7(a)(4).

6.33 In its Advertisement of Motor Vehicles, Defendant shall state the applicable time period of any special offer, in 10-point type immediately adjacent to a special offer, unless the special offer is a manufacturer's program, in accordance with N.J.A.C. 13:45A-26A.7(a)(5).

6.34 In its Advertisement of Motor Vehicles, Defendant shall disclose whether a Motor Vehicle had been previously damaged and that substantial repair or body work has been performed on it when Defendant knows or should have known of such repair or body work, in accordance with N.J.A.C. 13:45A-26A.7(a)(7).

6.35 Defendant shall not use the term "guaranteed" or other similar term of import unless the Defendant Clearly and Conspicuously discloses, adjacent to the claim and not in a footnote, the manner in which the guarantee will be performed and any conditions or limitations controlling such performance, in accordance with N.J.A.C. 13:45A-26A.7(a)(11).

6.36 Defendant shall disclose the total cost of Motor Vehicles in its installment sale Advertisements, which shall include the down payment, trade-in or rebate, if any, plus the total scheduled periodic payments, in accordance with N.J.A.C. 13:45A-26A.8(a)(1). Defendant shall disclose such information adjacent to the claim and not in a footnote unless the information is the same for all Motor Vehicles advertised, in accordance with N.J.A.C. 13:45A-26A.8(a).

6.37 Defendant shall disclose the annual percentage rate in its credit and installment sale Advertisements, in accordance with N.J.A.C. 13:45A-26A.8(a)(2). Defendant shall disclose such information adjacent to the claim and not in a footnote unless the information is the same for all Motor Vehicles advertised, in accordance with N.J.A.C. 13:45A-26A.8(a).

6.38 In its Advertisement of a new Motor Vehicle at an advertised price, Defendant 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).

6.39 In its Advertisement of a new Motor Vehicle at an advertised price, Defendant shall disclose the M.S.R.P, as it appears on the Monroney label, clearly denominated by using the abbreviation "M.S.R.P.", in accordance with N.J.A.C. 13:45A-26A.5(a)(3).

6.40 In its Advertisement of a new Motor Vehicle at an advertised price, Defendant shall disclose the number of engine cylinders of the Motor Vehicle, in accordance with N.J.A.C. 13:45A-26A.5(a)(4).

6.41 In its Advertisement of a new Motor Vehicle at an advertised price, Defendant shall disclose whether the Motor Vehicle has an automatic or manual transmission unless such is standard equipment, in accordance with N.J.A.C. 13:45A-26A.5(a)(5).

6.42 In its Advertisement of a new Motor Vehicle at an advertised price, Defendant shall disclose whether the Motor Vehicle's brakes and steering mechanism are power or manual, unless such is standard equipment, in accordance with N.J.A.C. 13:45A-26A.5(a)(5).

6.43 In its Advertisement of a new Motor Vehicle at an advertised price, Defendant shall disclose whether the Motor Vehicle has air conditioning unless such is standard equipment, in accordance with N.J.A.C. 13:45A-26A.5(a)(5).

6.44 In its Advertisement of a new Motor Vehicle at an advertised price, Defendant shall disclose the dealer installed options and the retail price of each as determined by Defendant, in accordance with N.J.A.C. 13:45A-26A.5(a)(7).

6.45 In its Advertisement of a Used Motor Vehicle at an advertised price, Defendant shall disclose the Motor Vehicle's prior use, when such prior use is known or should have been known by the Defendant, 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).

6.46 For any advertised Motor Vehicle, Defendant shall maintain a copy of all applicable Advertisements and a copy of the executed Sales Document with the purchaser or lessee of that Motor Vehicle for at least 180 days after the transaction, in accordance with N.J.A.C. 13:45A-26A.10(a).

6.47 Defendant shall collect an administrative fee of \$0.50 from each Consumer who purchases a Used Motor Vehicle, in accordance with N.J.A.C. 13:45A-26F.6(a).

6.48 By the 15th of every January, Defendant shall remit to the Division's Used Car Lemon Law Unit the administrative fees and/or documentation concerning the Used Motor Vehicles sold, in accordance with N.J.A.C. 13:45A-26F.6(b).

7. ADDITIONAL CONSUMER COMPLAINTS

7.1 For a period of one (1) year from the Effective Date, the Division shall forward to Defendant copies of any Additional Consumer complaints received by the Division or forwarded to the Division, among other things, by any CALA office. The Division shall forward to Defendant the Additional Consumer complaints within thirty (30) days of the Division's receipt thereof.

7.2 During this one (1) year period, the Division shall notify each Additional Consumer in writing, with a copy to Defendant's designate, of the following: (a) that the Additional Consumer's complaint has been forwarded to Defendant; (b) that he/she should

expect a response from Defendant within thirty (30) days; and (c) the right to refer his/her complaint to the ADR Unit for binding arbitration if Defendant disputes the Additional Consumer's complaint and/or requested relief.

7.3 Within thirty (30) days of receiving the Additional Consumer's complaint from the Division, Defendant shall send a written response to each Additional Consumer, with a copy to the following: New Jersey Division of Consumer Affairs, Office of Consumer Protection, Case Management Tracking Supervisor, 124 Halsey Street, Post Office Box 45025, Newark, New Jersey 07101.

7.4 If Defendant does not dispute the Additional Consumer's complaint and requested relief, Defendant's written response shall so inform the Additional Consumer. Defendant shall contemporaneously provide the requested relief to such Additional Consumer. Where Restitution concerns the reversal of credit or debit card charges, Defendant shall include documents evidencing that such adjustments have been made. Where Restitution concerns a refund or other payment, such shall be made by a check payable to the Additional Consumer.

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

7.6 Within forty-five (45) days of Defendant's receipt of the Additional Consumer's complaint, Defendant shall notify the Division 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 to the Additional Consumer;

- (d) Copies of all documents evidencing any Restitution;
- (e) In the event Defendant's written response was returned as undeliverable, the efforts Defendant had undertaken to locate the Additional Consumer; and
- (f) Confirmation that Defendant 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 Judgment.

7.7 If within sixty (60) days of Defendant's receipt of the Additional Consumer's complaint: (a) Defendant has not notified the Division that the Additional Consumer's complaint has been resolved; (b) Defendant has notified the Division that the Additional Consumer's complaint has not been resolved; or (c) Defendant has notified the Division that the Additional Consumer refuses Defendant's offer of Restitution, the Division shall forward such Additional Consumer's complaint to the ADR Unit to reach a resolution of the complaint through binding arbitration. Defendant agrees herein to consent to this arbitration process and to be bound by the arbitrator's decision. Defendant further agrees 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 in writing both the Additional Consumer and Defendant's designate of the referral of the Additional Consumer's complaint to the ADR Unit. Thereafter, upon the consent of the Additional Consumer, the arbitration shall proceed in accordance with the ADR Guidelines (a copy of which is attached).

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

7.9 Defendant's failure or refusal to comply with the requirements of Sections 7.3 through 7.6 and/or participate in the arbitration process or pay an arbitration award timely shall constitute a violation of this Consent Judgment. Under these circumstances, Plaintiffs may unilaterally discontinue the Additional Consumer complaint resolution process upon notice to Defendant.

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

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

7.12 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.

7.13 Following the expiration of the one (1) year period, Defendant may request to continue the Additional Consumer complaint resolution process for up to three (3) successive one (1) year periods, upon written notice by Defendant to the Division provided thirty (30) days prior to the expiration of the initial or any subsequent one (1) year period. The Division may decline to grant Defendant's request, at its sole discretion for any reason including, but not limited to, those set forth in Section 7.9.

8. SETTLEMENT AMOUNT

8.1 The Parties have agreed to a Settlement of the Action in the amount of Seven Hundred Fifty Thousand and 00/100 Dollars (\$750,000.00) (the "Settlement Amount").

8.2 On or before the Effective Date, Defendant shall pay Two Hundred Twenty-Five Thousand and 00/100 (\$225,000.00) Dollars of the Settlement Amount. Within six (6) months of the Effective Date, Defendant shall pay Two Hundred Twenty-Five Thousand and 00/100 Dollars (\$225,000.00).

8.3 The payments referenced in Section 8.2 comprise Consumer restitution and reimbursement of the Plaintiffs' attorneys' fees and investigative costs pursuant to N.J.S.A. 56:8-8, N.J.S.A. 56:8-11 and N.J.S.A. 56:8-19. Plaintiffs shall determine and distribute Consumer restitution in their sole discretion. Any monies remaining shall be applied to the reimbursement of attorneys' fees and investigative costs.

8.4 The payments referenced in Section 8.2 shall be made by wire transfer or certified cashier's check made payable to "New Jersey Division of Consumer Affairs" and shall be forwarded to the undersigned:

Gina M. Betts, Deputy Attorney General
State of New Jersey
Office of the Attorney General
Department of Law and Public Safety
Division of Law
Consumer Fraud Prosecution Section
124 Halsey Street - 5th Floor
P.O. Box 45029
Newark, New Jersey 07101

8.5 Upon making the payments referenced in Section 8.2, 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.

8.6 For a period of one (1) year from the Effective Date, the Three Hundred Thousand and 00/100 Dollars (\$300,000.00) balance of the Settlement Amount, which comprises civil penalties pursuant to N.J.S.A. 56:8-13, shall be suspended and automatically vacated at the end of that period, provided:

- (a) Defendant complies in all material respects with the restraints and conditions set forth in this Consent Judgment;
- (b) Defendant makes all Restitution payments as required under Section 7; and
- (c) Defendant pays the sum of Four Hundred Fifty Thousand and 00/100 Dollars (\$450,000.00) in the manner required under Section 8.2.

8.7 In the event Defendant materially fails to comply with Section 8.6, Plaintiffs shall provide Defendant with notice seeking payment of the entire suspended amount of Three Hundred Thousand and 00/100 Dollars (\$300,000.00). In any such notice, however, Plaintiffs shall provide Defendant with the specific details of the Defendant's alleged noncompliance, as well as the supporting Consumer complaint and/or other documentation. Defendant shall be afforded a fifteen (15) day period from receipt of such notice within which to cure any such noncompliance. In the event of Defendant's failure to cure any such noncompliance, either Party may request that the matter be submitted to binding arbitration before a retired Judge designated by the Parties. Defendant shall pay all costs associated with the arbitration. The Parties shall be responsible for their respective attorneys' fees and costs. As a result of such arbitration, the appointed arbitrator may render an award of civil penalties in Plaintiffs' favor in an amount of up to Three Hundred Thousand and 00/100 Dollars (\$300,000.00).