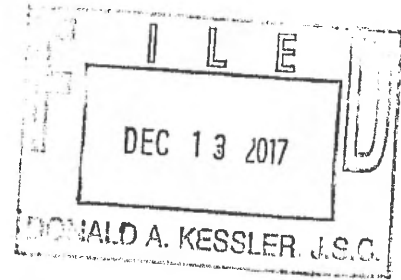


CHRISTOPHER S. PORRINO
 ATTORNEY GENERAL OF NEW JERSEY
 Division of Law
 124 Halsey Street- 5th Floor
 P.O. Box 45029
 Newark, New Jersey 07101
 Attorney for Plaintiffs



By: Russell M. Smith, Jr. (014202012)
 Deputy Attorney General
 (973) 877-1280

SUPERIOR COURT OF NEW JERSEY
 CHANCERY DIVISION, ESSEX COUNTY
 DOCKET NO. ESX-C-277-15

CHRISTOPHER S. PORRINO, Attorney General of the State of New Jersey, SHARON M. JOYCE, Acting Director of the New Jersey Division of Consumer Affairs, and DAVID FREED, Acting Superintendent of the New Jersey State Office of Weights and Measures,

Plaintiffs,

v.

PEP BOYS – MANNY, MOE & JACK OF DELAWARE, INC.; JANE AND JOHN DOES 1-10, individually and as owners, officers, directors, founders, managers, agents, employees, and representatives of PEP BOYS – MANNY, MOE & JACK OF DELAWARE, INC.; and XYZ CORPORATIONS 1-10,

Defendant.

Civil Action

FINAL CONSENT JUDGMENT

The parties to this Action and Final Consent Judgment (“Consent Judgment”) are plaintiffs Christopher S. Porrino, Attorney General of the State of New Jersey, Sharon M. Joyce, Acting Director of the New Jersey Division of Consumer Affairs and David Freed, Acting Superintendent of the New Jersey State Office of Weights and Measures (collectively,

“Plaintiffs”),¹ and Pep Boys – Manny, Moe and Jack of Delaware, Inc. (“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 December 21, 2015 and on January 25, 2016, filed a First Amended Complaint alleging that Defendant violated the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq. (“CFA”), the New Jersey Weights and Measures Act, N.J.S.A. 51:1-1 et seq., and the Regulations Governing Automotive Repairs, N.J.A.C. 13:45A-26C.1 et seq. (“Automotive Repair Regulations”). Among other things, Plaintiffs alleged that Defendant: (1) sold automotive parts and accessories through the use of scanners, at prices in excess of the prices listed at the point of display; (2) failed to post the total selling price of automotive parts and accessories offered for Sale at Pep Boys Stores; (3) performed unnecessary Repair of Motor Vehicles; (4) overcharged for the Repair of Motor Vehicles; and (5) failed to post the required notice of Consumer rights concerning the Repair of Motor Vehicles.

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

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, Essex County.

3. EFFECTIVE DATE

3.1 This Consent Judgment shall be effective on the date that it is filed 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 Christopher S. Porrino, Attorney General of the State of New Jersey, Sharon M. Joyce, Acting Director of the New Jersey Division of Consumer Affairs and David Freed, Acting Superintendent of the New Jersey State Office of Weights and Measures v. Pep Boys – Manny, Moe & Jack of Delaware, Inc., Superior Court of New Jersey, Chancery Division, Essex County, Docket No. ESX-C-277-15, and all pleadings

and proceedings related thereto, including the First Amended Complaint, filed January 25, 2016.

4.2 “Advertisement” shall be defined in accordance with N.J.S.A. 56:8-1(a). This definition also applies to other forms of the term “Advertisement,” Including “Advertised.”

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 “Defendant” shall refer to Pep Boys – Manny, Moe & Jack of Delaware, Inc., with a main business address of 3111 West Allegheny Avenue, Philadelphia, Pennsylvania 19132.

4.6 “Including” shall be construed as broadly as possible and shall mean “without limitation.” This definition applies to other forms of the word “Including” such as “Include[s].”

4.7 “Merchandise” shall be defined in accordance with N.J.S.A. 56:8-1(c).

4.8 “Motor Vehicle” shall be defined in accordance with N.J.A.C. 13:45A-26C.1.

4.9 “New Jersey” and “State” shall refer to the State of New Jersey.

4.10 “Pep Boys Stores” shall refer to any and all automotive parts retail locations and/or automotive repair and servicing locations owned and/or operated by Defendant in New Jersey.

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

4.12 “Policy” or “Policies” shall Include any procedures, practices and/or established courses of action, whether written or oral.

4.13 “Repair[s] of Motor Vehicles” shall be defined in accordance with N.J.A.C. 13:45A-26C.1.

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

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 New Jersey and shall comply with such State and/or federal laws, rules and regulations as now constituted or as may hereafter be amended, including the CFA, the Weights and Measures Act, and the Automotive Repair Regulations.

5.2 Defendant shall not sell, attempt to sell or offer Merchandise without the total selling price of such Merchandise plainly marked by a stamp, tag, label or sign either affixed to the Merchandise or located at the point where the Merchandise is offered for Sale, as required by the CFA, specifically N.J.S.A. 56:8-2.5.

5.3 Defendant shall not misrepresent the price of Merchandise sold, offered, exposed or Advertised for Sale by weight, measure, count or time, and/or represent the price in a manner calculated or tending to mislead or in any way deceive a Person, contrary to the Weights and Measures Act, specifically N.J.S.A. 51:1-97(a)(4).

5.4 Defendant shall not sell or offer for Sale Merchandise at a price that exceeds the price posted at the point of display or otherwise, contrary to the CFA, specifically N.J.S.A. 56:8-2.

5.5 Defendant shall not misrepresent to Consumers, at the point of display or otherwise, the price of Merchandise offered for Sale, contrary to the CFA, specifically N.J.S.A. 56:8-2.

5.6 Defendant shall not perform any unnecessary Repairs of Motor Vehicles, contrary to the CFA, specifically N.J.S.A. 56:8-2.

5.7 Defendant shall not charge Consumers for any unnecessary Repairs of Motor Vehicles, contrary to the CFA, specifically N.J.S.A. 56:8-2.

5.8 Defendant shall ensure that all Motor Vehicles presented for maintenance and/or the Repair of Motor Vehicles are evaluated and repaired in a manner consistent with all industry standards, in accordance with the CFA, specifically N.J.S.A. 56:8-2.

5.9 Defendant shall provide a Consumer with a copy of any receipt or document signed by the Consumer when the Consumer signs it, in accordance with the Automotive Repair Regulations, specifically, N.J.A.C. 13:45A-26C.2(a)(4).

5.10 Defendant shall not make deceptive or misleading statements or false promises of a character likely to influence, persuade or induce a Consumer to authorize the Repair of Motor Vehicles, in violation of the Automotive Repair Regulations, specifically N.J.A.C. 13:45A-26C.2(a)(5).

5.11 Defendant shall conspicuously post the notice of Consumer rights as to the Repair of Motor Vehicles, in accordance with the Automotive Repair Regulations, specifically N.J.A.C. 13:45A-26C.2(a)(11).

6. SETTLEMENT PAYMENT

6.1 The Parties have agreed to a settlement of this Action in the amount of Eighty Thousand and 00/100 Dollars (\$80,000.00) (“Settlement Payment”).

6.2 The Settlement Payment comprises Sixty Thousand and 00/100 Dollars (\$60,000.00) in civil penalties pursuant to N.J.S.A. 56:8-13 and N.J.S.A. 51:1-97(a); Two Thousand Five Hundred Sixty One and 72/100 (\$2,561.72) in Consumer restitution pursuant to N.J.S.A. 56:8-8; Fourteen Thousand Four Hundred Sixty Two and 42/100 Dollars (\$14,462.42)

in attorneys' fees pursuant to N.J.S.A. 56:8-19; and Two Thousand Nine Hundred Seventy Five and 86/100 Dollars (\$2,975.86) in investigative costs pursuant to N.J.S.A. 56:8-11. The Settlement Payment shall satisfy the award of attorneys' fees and costs contained in the Court's August 25, 2017 Order.

6.3 Defendant shall make the Settlement Payment contemporaneously with the signing of this Consent Judgment.

6.4 The Settlement Payment shall be made by certified or cashier's check, money order, wire transfer, or credit card made payable to the "New Jersey Division of Consumer Affairs," and shall be forwarded to the undersigned:

Russell M. Smith, Jr., Deputy Attorney General
Division of Law, Consumer Fraud Prosecution Section
124 Halsey Street - 5th Floor
P.O. Box 45029
Newark, New Jersey 07101

6.5 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. 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 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 New Jersey.

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 between 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 Parties.

7.5 Except as otherwise explicitly provided in this Consent Judgment, nothing in this Consent Judgment 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 Defendant as well as 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 its business.

7.8 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 be used to avoid compliance with this Consent Judgment.

7.9 This Consent Judgment is entered into by the Parties for settlement purposes only. Neither the fact of, nor any provision contained in this Consent Judgment shall constitute, or be construed as: (a) an approval, sanction or authorization by the Plaintiffs or any other governmental unit of New Jersey of any act or practice of Defendant; and (b) 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, the Weights and Measures Act and/or the Automotive Repair Regulations.

7.10 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.

7.11 The Parties represent and warrant that an authorized representative of each has signed this Consent Judgment with full knowledge, understanding and acceptance of its terms and that the representative has done so with authority to legally bind the respective Party.

8. RELEASE

8.1 In consideration of the undertakings, mutual promises and obligations provided for in this Consent Judgment and conditioned on Defendant making the Settlement Payment in the manner specified in Section 6, the 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, the Weights and Measures Act and/or the Automotive Repair Regulations, as well as the matters specifically addressed in this 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; (b) actions to enforce this Consent Judgment; and (c) any claims against Defendant by any other agency or subdivision of the State.

9. MONITORING FOR COMPLIANCE

9.1 Within forty-five (45) days of the Effective Date, Defendant shall distribute a summary of this Consent Judgment via electronic mail or otherwise to all managers responsible

for Pep Boys Stores. Within sixty (60) days of the Effective Date, Defendant shall certify to the Plaintiffs that each of the above-referenced Persons has been provided with a summary of this Consent Judgment. Within thirty (30) days of the one (1) year anniversary of the Effective Date, Defendant shall again distribute a summary of this Consent Judgment via electronic mail or otherwise to all managers responsible for Pep Boys Stores. Within sixty (60) days of the one (1) year anniversary of the Effective Date, Defendant shall again certify to the Plaintiffs that each of the above-referenced Persons has been provided with a summary of this Consent Judgment.

9.2 Defendant shall maintain uniform Policies for monitoring the price accuracy of Merchandise at Pep Boys Stores to ensure that such Merchandise is not displayed, offered for Sale and/or sold at a price that exceeds the price posted at the point of display or otherwise.

9.3 Defendant shall maintain uniform Policies to ensure that the total selling price of Merchandise displayed, offered for Sale and/or sold at Pep Boys Stores is plainly marked on the Merchandise or at the point where the Merchandise is offered for Sale.

9.4 Defendant shall maintain uniform Policies to ensure that all Motor Vehicles presented for maintenance and/or the Repair of Motor Vehicles at Pep Boys Stores are evaluated and repaired in a manner consistent with the Automotive Maintenance and Repair Association standards.

9.5 Within ninety (90) days of the Effective Date, and for a period of two (2) years thereafter, Defendant shall cause each Pep Boys Store to conduct a minimum of one (1) audit per eight (8) week period of fifty (50) Merchandise items offered for Sale. Defendant shall maintain a log of each audit, which includes: (a) date and time of audit; (b) name and title of Person conducting the audit; (c) the Merchandise items audited; (d) verification that the selling price of

such Merchandise is marked on the Merchandise or at the point where the Merchandise is offered for Sale by a front tag or otherwise; (e) verification that such Merchandise's marked price matches the price in Defendant's point of sale system; and (f) verification that any marking or pricing errors discovered during the audit are corrected. Each Pep Boys Store shall maintain the log for at least three (3) months from the date of each audit and it shall be made available for inspection by the Plaintiffs, provided, however, such inspection is intended to permit the Plaintiffs to verify compliance with this Consent Judgment and in no event shall such log or any information contained therein be used as the basis for an alleged violation of the CFA and/or the Weights and Measures Act against the Defendant for errors identified therein and corrected.

9.6 Defendant shall provide to all managers responsible for Pep Boys Stores and other appropriate employees, the training and/or instruction necessary to ensure compliance with this Consent Judgment.

9.7 Within ninety (90) days of the Effective Date, all managers responsible for Pep Boys Stores shall participate in a training session which shall include: (a) identification of the need for price accuracy; (b) instructions on how to replace missing or incorrect price tags; (c) instruction on how to respond to Consumer inquiries regarding Merchandise pricing issues; and (d) instruction on the conspicuous posting and content of the notice of Consumer rights as to the Repair of Motor Vehicles. For a period of at least eighteen months (18) from the Effective Date, Defendant shall also provide such training to all newly hired managers responsible for Pep Boys Stores.

9.8 All managers responsible for Pep Boys Stores shall again participate the training session described in Section 9.7, within sixty (60) days of the one (1) year anniversary of the

Effective Date.

9.9 Defendant shall employ a procedure for senior management monitoring and correction of pricing discrepancies and/or Consumer complaints concerning the Repair of Motor Vehicles identified at Pep Boys Stores.

9.10 Within ninety (90) days of the Effective Date, and for a period of two (2) years thereafter, Defendant shall designate an employee as the Pricing Compliance Coordinator (“PCC”). The duties of the PCC shall include receiving notices of pricing violations and/or Consumer complaints concerning the Repair of Motor Vehicles at Pep Boys Stores, distributing such notices to Defendant’s legal department, and processing payment for any properly assessed penalties or substantiated complaints. The PCC shall be the designated corporate contact Person for inquiries from the Plaintiffs, and shall monitor compliance with Defendant’s Merchandise pricing Policies and Polices concerning the Repair of Motor Vehicles, as well as the terms of this Consent Judgment at all Pep Boys Stores. The PCC may delegate duties to other employees of Defendant, appoint “backup” PCCs, or retain third-parties as such person deems reasonable and appropriate to assist with the PCC’s responsibilities.

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 obligation 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 United States mail, Certified Mail Return Receipt Requested, or other nationally recognized courier service that provides tracking services and identification of the Person signing for the documents. The notices and/or documents shall be sent to the following addresses:

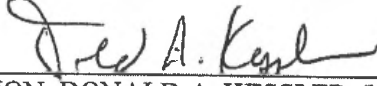
For the Plaintiffs:

Russell M. Smith, Jr., Deputy Attorney General
Division of Law, Consumer Fraud Prosecution Section
124 Halsey Street - 5th Floor
P.O. Box 45029
Newark, New Jersey 07101

For the Defendant:

Gregg A. Ilardi, Esq.
The Law Offices of Gregg A. Ilardi
174 Delawanna Avenue
Clifton, New Jersey 07014

IT IS ON THE 13 DAY OF December 2017, SO ORDERED, ADJUDGED AND DECREED.

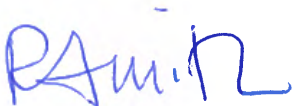


HON. DONALD A. KESSLER, J.S.C.

**JOINTLY APPROVED AND
SUBMITTED FOR ENTRY:**

FOR THE PLAINTIFFS:

CHRISTOPHER S. PORRINO
ATTORNEY GENERAL OF NEW JERSEY

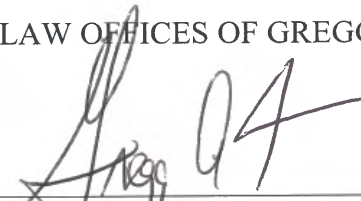
By: 

Russell M. Smith, Jr.
Deputy Attorney General
Division of Law, Consumer Fraud Prosecution
124 Halsey Street – 5th Floor
P.O. Box 45029
Newark, New Jersey 07101
Tel. (973) 877-1280

Dated: 12/11, 2017

FOR THE DEFENDANT:

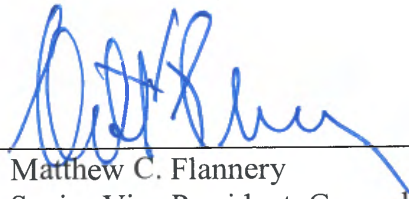
THE LAW OFFICES OF GREGG A. ILARDI LLC

By: 

Gregg A. Ilardi, Esq.
174 Delawanna Avenue
Clifton, New Jersey 07014
Tel. (973) 507-7822

Dated: November 8, 2017

PEP BOYS – MANNY, MOE & JACK OF DELAWARE, INC.

By: 

Matthew C. Flannery
Senior Vice President, General Counsel & Secretary
3111 West Allegheny Avenue
Philadelphia, Pennsylvania 19132
Tel. (215) 430-9635

Dated: 11-9-17, 2017