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SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION
CAMDEN COUNTY
DOCKET NO.: CAM-C-

C 18-19

Civil Action

GURBIR S. GREWAL, Attorney General of the State of New Jersey, and PAUL R. RODRÍGUEZ, Acting Director of the New Jersey Division of Consumer Affairs,

Plaintiffs,

v.

NU 2 U AUTO WORLD, LLC., PINE VALLEY MOTORS INCORPORATED OF NEW JERSEY, KENNETH R. COHEN, individually and as owner, officer, director, founder, member, manager, representative and/or agent of NU 2 U AUTO WORLD, LLC and PINE VALLEY MOTORS INCORPORATED OF NEW JERSEY, JANE AND JOHN DOES 1-10, individually and as owners, officers, directors, shareholders, founders, members, managers, agents, servants, employees, representatives and/or independent contractors of NU 2 U AUTO WORLD, LLC and/or PINE VALLEY MOTORS INCORPORATED OF NEW JERSEY, and XYZ CORPORATIONS 1-10,

Defendants.

COMPLAINT

Plaintiffs Gurbir S. Grewal, Attorney General of the State of New Jersey ("Attorney General"), with offices located at 124 Halsey Street, Fifth Floor, Newark, New Jersey, and Paul R. Rodríguez, Acting Director of the New Jersey Division of Consumer Affairs ("Director"), with offices located at 124 Halsey Street, Seventh Floor, Newark, New Jersey, (collectively, "Plaintiffs"), by way of this Complaint state:

PRELIMINARY STATEMENT

1. Purchasing a motor vehicle, even a used one, is an expensive proposition. Many consumers with no or poor credit histories are unable to obtain the necessary financing by traditional means to purchase what, for many, is a basic necessity. In recent years, Buy Here – Pay Here ("BHPH") dealerships have emerged to ostensibly provide another option for these vulnerable consumers. BHPH dealerships provide financing directly to consumers but often under such onerous terms, including high up-front payments and high interest rates, that high default and repossession rates are almost inevitable.

2. At all relevant times, Nu 2 U Auto World, LLC ("Nu 2 U"), Pine Valley Motors Incorporated of New Jersey ("Pine Valley") and their president, Kenneth R. Cohen ("K. Cohen") (collectively, "Defendants") have been engaged in the advertisement, offer for sale and/or sale of used motor vehicles through the internet and at their respective dealership locations in the State of New Jersey ("New Jersey" or "State").

3. Defendants' business model is predicated on the expectation that consumers who purchase their used motor vehicles will not be able to fulfill their financial obligations. Defendants operate two BHPH dealerships, which finance in-house loans for used motor vehicles to consumers with no or poor credit histories. Defendants sell used motor vehicles at vastly inflated prices and

provide financing at double-digit interest rates that were in excess of those charged by banks or credit unions. Predictably, many consumers defaulted on their loans, and Defendants repossessed the used motor vehicles. Afterwards, Defendants engaged in "churning," by selling the used motor vehicle to other financially strapped consumers in a similar process of sale, finance, repossess, sale, etc.

4. The New Jersey Division of Consumer Affairs ("Division") has received consumer complaints concerning the Defendants' operation of their used motor vehicle dealerships. The consumer complaints and the Division's subsequent investigation demonstrate that Defendants failed to comply with 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-1.1. et seq. ("Motor Vehicle Advertising Regulations"), the Regulations Governing Automotive Sales Practices, N.J.A.C. 13:45A-26B.1 et seq. ("Automotive Sales Regulations"), the Used Car Lemon Law, N.J.S.A. 56:8-67 et seq. ("UCLL") and the Used Car Lemon Law Regulations, N.J.A.C. 13:45A-26F.6(a)-(b)(1) ("UCLL Regulations"), by, among other things: (a) engaging in the practice of "churning" used motor vehicles; (b) advertising, offering for sale and selling used motor vehicles to which they did not have title; (c) failing to disclose the prior condition and/or prior use (e.g. commercial rental) of used motor vehicles; (d) failing to conspicuously post the total selling price of used motor vehicles; (e) failing to honor the advertised prices of motor vehicles; (f) charging consumers additional fees not identified in advertisements or during the negotiation process; (g) failing to provide consumers with motor vehicle license plates, title and registration in a timely manner and (h) refusing to return down payments to a consumer after a sale has been

voided. The Attorney General and Director submit this Complaint to halt Defendants' deceptive business practices and to prevent additional consumers from sustaining financial and other harm.

PARTIES AND JURISDICTION

5. The Attorney General is charged with the responsibility of enforcing the CFA, the Motor Vehicle Advertising Regulations, Automobile Sales Regulations, the UCLL and the UCLL Regulations. The Director is charged with the responsibility of administering the CFA, the Motor Vehicle Advertising Regulations, and the UCLL and on behalf of the Attorney General.

6. By this action, Plaintiffs seek injunctive and other relief for violations of the CFA, the Motor Vehicle Advertising Regulations, the Automobile Sales Regulations, the UCLL and the UCLL Regulations. Plaintiffs bring this action pursuant to their authority under the CFA, specifically N.J.S.A. 56:8-8, N.J.S.A. 56:8-11, N.J.S.A. 56:8-13 and N.J.S.A. 56:8-19. Venue is proper in Camden County, pursuant to R. 4:3-2, because it is a county in which Defendants have conducted business and maintained principal places of business.

7. Nu 2 U is a Domestic For-Profit Corporation established in the State on November 23, 2009. At all relevant times, Nu 2 U has maintained a principal business address of 105 White Horse Pike, Clementon, New Jersey 08021. The registered agent in the State for Nu 2 U is K. Cohen.

8. Pine Valley is a Domestic For-Profit Corporation established in the State on February 10, 1989. At all relevant times, Pine Valley has maintained a principal business address of 244 White Horse Pike, Berlin, New Jersey 08009. The registered agent in the State for Pine Valley is K. Cohen.

9. At all relevant times, K. Cohen has been the president of both Nu 2 U and Pine Valley, and maintains a mailing address of 521 North White Horse Pike, Magnolia, New Jersey 08049.

10. Upon information and belief, John and Jane Does 1 through 10 are fictitious individuals meant to represent the owners, officers, directors, shareholders, founders, members, managers, agents, servants, employees, representatives and/or independent contractors of Nu 2 U and Pine Valley who have been involved in the conduct that gives rise to this Complaint, but are heretofore unknown to the Plaintiffs. As these defendants are identified, Plaintiffs shall amend the Complaint to include them.

11. Upon information and belief, XYZ Corporations 1 through 10 are fictitious corporations meant to represent any additional corporations who have been involved in the conduct that gives rise to this Complaint, but are heretofore unknown to the Plaintiffs. As these defendants are identified, Plaintiffs shall amend the Complaint to include them.

GENERAL ALLEGATIONS COMMON TO ALL COUNTS

A. Defendants' Business Generally:

12. Upon information and belief, since at least February 1989, Defendants have operated one or more motor vehicle dealerships in New Jersey and have engaged in the retail sale of used motor vehicles, which are generally older models with significant mileage (e.g. 2005 Chevrolet Silverado with 217,000 miles, 2005 Chrysler Town and Country with 159,000, miles and 2006 Lincoln Navigator with 246,000 miles.)

13. At all relevant times, Defendants maintained a website for Nu 2 U at https://www.nu2uautoworld.com ("Nu 2 U Website"), and maintained a website for Pine Valley at https://www.pinevalleymotorsberlin.com ("Pine Valley Website").

14. At all relevant times, Defendants advertised and otherwise offered for sale used motor vehicles to consumers in this State and elsewhere through the Nu 2 U Website and the Pine Valley Website and other internet advertisements. Defendants have often simultaneously advertised the same used motor vehicles for sale on both the Nu 2 U Website and the Pine Valley Website.

15. On July 11, 2018, pursuant to N.J.A.C. 13:21-15.15, the New Jersey Motor Vehicle Commission ("MVC") suspended the motor vehicle dealer licenses of Nu 2 U and Pine Valley based upon an allegation of ongoing fraud. Specifically, MVC alleged that the dealerships sold used motor vehicles to which they did not have the titles.

16. At all relevant times, Defendants operated BHPH dealerships, in which they provided in-house financing for the used motor vehicles they sold.

17. From at least 2010 to the present, NU 2 U functioned as a "dealer" within the meaning of the UCLL and UCLL Regulations.

18. From at least 2015 to the present, Pine Valley functioned as a "dealer" within the meaning of the UCLL and UCLL Regulations.

B. Defendants' Advertising Practices:

19. At varying times, Defendants have advertised and/or offered for sale used motor vehicles through the Nu 2 U Website and the Pine Valley Website without disclosing the total

selling price and stating, in effect, that the consumer is required to call the dealerships to obtain the price.

20. At varying times, the Nu 2 U Website and the Pine Valley Website have advertised used motor vehicles without the statement that "price(s) include(s) all costs to be paid by the consumer, except for licensing costs, registration fees, and taxes."

21. Defendants have repeatedly advertised used motor vehicles for sale at prices far higher than their estimated value. For example, NU2U advertised a 2006 Volvo with an Edmunds True Market Value of $2,690 priced at $11,995; and a 2003 Acura MDX with an Edmunds True Market Value of $2,183 priced at $8,995

22. Although Defendants' website advertisements stated that a $488 down payment was required for all vehicles, they often required down payments well over $1,000.

23. Defendants advertised used motor vehicles for sale to which they did not have title and therefore could not lawfully sell.

24. At varying times, Defendants failed to disclose that advertised used motor vehicles were previously damaged and had been subjected to substantial repair and body work, including failing to disclose that motor vehicles they offered for sale had been branded "salvage."

25. At varying times, Defendants failed to disclose that advertised used motor vehicles were previously used as commercial rental vehicles.

C. Defendants' Sales Practices:

26. At all relevant times, Defendants operated used motor vehicle dealerships, providing financing to borrowers with no or poor credit histories for purchases of used motor

vehicles at rates and in a manner meant to capitalize on those consumers' vulnerable position and limited options.

27. Defendants sold and financed older over-priced used motor vehicles with high mileage to financially vulnerable consumers who often could not make the requisite payments, thereby allowing Defendants to repossess the vehicles and start the same "sell, finance and repossess" cycle over again.

28. Defendants sold and financed used motor vehicles at prices that were far in excess of the vehicle's estimated value (e.g. 2006 Mazda estimated value of $1,867 was sold for $8,995; 2006 Lincoln Navigator estimated value at $5,800 was sold for $10,995; and 2009 Pontiac G6 estimated value at $7,300 was sold for $12,995) and compounded these grossly inflated prices by offering financing at double-digit interest rates (e.g. 24.19%), far in excess of interest rates offered by banks and credit unions

29. Despite advertising that all vehicles only required a down payment of $488, Defendants required consumers to make excessively high up-front payments for the used motor vehicles that they purchased and financed from Defendants. For example:

a. Down payment of $1,732 required as part of total purchase price of $9,042 for 2007 Chevy HHR with an estimated value of $1,751;

b. Down payment of $2,044 required as part of total purchase price of $12,347 for 2006 GMC Envoy with an estimated value of $2,494;

c. Down payment of $3,771 required as part of total purchase price of $27,434 for 2008 Chevy Suburban with an estimated value of $5,636;

d. Down payment of $1,344 required as part of total purchase price of $8,995for 2006 GMC Envoy with an estimated value of $2,494;

e. Down payment of $1,119 required as part of total purchase price of $10,995 for 2007 Chrysler Sebring with an estimated value of $2,284; and

f. Down payment of $1,619 required as part of total purchase price of $15,935 for 2007 Chrysler Sebring with an estimated value of $2,284.

30. Defendants further inflated the advertised price of a used motor vehicle by charging consumers a "reconditioning fee" (e.g. $99), which was of no apparent value.

31. Defendants further inflated the advertised price of a used motor vehicle by charging consumers a "safety check fee" (e.g. $99), when no such inspection was performed.

32. Defendants charged consumers documentary service fees (e.g., document preparation fee) that were neither itemized in the sales documents nor otherwise disclosed to consumers.

33. At varying times, Defendants failed to provide consumers with license plates, title and registration to used motor vehicles prior to the expiration of the temporary title and/or registration issued to consumers.

34. Defendants' predatory practices resulted in obviously untenable deals for consumers. For example, in May 2018, Defendants sold a 2007 Nissan Maxima, valued at $2,825, to a twenty-two year old consumer making $10 an hour. Defendants required an upfront payment of $848, followed by 120 weekly payments of $75 at an APR of 23.99%, which would have resulted in a total payment of $9,848. Defendants never provided the vehicle registration to the consumer, who possessed the vehicle for less than four months.

35. Similarly, in April 2018, Defendants sold a 2004 Nissan Maxima, valued at $1,789, to a consumer making $16 an hour. Defendants required payment of $1,148 in the first month followed by 148 weekly payments of $75, at an APR of 23.99%, which would have resulted in a total payment of $13,087. Defendants never provided the vehicle registration to the consumer.

36. As evidence that Defendants expected consumers to be unable to make the requisite payments and would lose possession of their vehicles, Defendants required consumers who financed their purchase of used motor vehicles through NU 2 U or Pine Valley to sign an undated "Right of Repossession" form which, among other things, prohibited consumers from keeping any personal property in the motor vehicle during the duration of the financing provided by Defendants and permitted Defendants to repossess such vehicles for late payment without providing consumers with any advance notice.

37. As part of the sales transactions, Defendants required consumers to sign a separate form which acknowledged Defendants' right to repossess the newly purchased motor vehicles for a variety of reasons, including if the consumer failed to cut a new key to the vehicle, at the consumer's expense, within seven days of the transaction.

38. Defendants engaged in "churning," by selling the same used motor vehicle multiple times following consumer loan defaults and repossessions. For example:

a. 2006 Dodge Charger was sold eight times from 2013 to 2018;

b. 2006 Pontiac G6 was sold seven times from 2013 to 2018.

c. 2005 Dodge Stratus was sold six times from 2013 to 2017,

d. 2002 Acura TL was sold five times from 2015 to 2016,

e. 2009 Chevy Malibu was sold six times from 2015 to 2018 and

f. 2002 Buick LeSabre was sold five times from 2015 to 2017.

39. Defendants failed to provide consumers with complete copies of signed sales documents, including financing agreements.

40. Defendants sold used motor vehicles to which they did not have title (e.g. 2009 Porsche Cayenne, 2013 Toyota Camry, 2001 Lincoln Navigator.)

41. Defendants failed to disclose prior accidents involving used motor vehicles sold to consumers (e.g. 2014 Ford Fusion, 2011 Nissan Rogue.)

42. Defendants failed to disclose mechanical problems in used motor vehicles sold to consumers (e.g. a faulty crank position sensor).

43. Defendants failed to refund monies paid by consumers after consumers cancelled the motor vehicle sales transaction.

44. Defendants failed to timely remit to the Division's Used Car Lemon Law ("UCLL") Unit the UCLL administrative fees and/or documentation concerning the used motor vehicles Defendants sold.

45. At varying times, Defendants repossessed used motor vehicles after consumers defaulted on Defendants' loans without providing any advance notice to the consumers.

46. At varying times, Defendants denied consumers' access to their personal property after the consumers' motor vehicles had been repossessed.

47. At varying times, Defendants failed to respond to consumer inquiries about, among other things, when license plates would be available.

COUNT I

VIOLATION OF THE CFA BY DEFENDANTS (UNCONSCIONABLE COMMERCIAL PRACTICES AND DECEPTION)

48. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 47 above as if more fully set forth herein.

49. The CFA, N.J.S.A. 56:8-2 prohibits:

> The act, use or employment by any person of any unconscionable commercial practice, deception, fraud, false pretense, false promise, misrepresentation, or the knowing[] concealment, suppression, or omission of any material fact with intent that others rely upon such concealment, suppression or omission, in connection with the sale or advertisement of any merchandise . . .

50. The CFA defines "merchandise" as including "any objects, wares, goods, commodities, services or anything offered, directly or indirectly, to the public for sale." N.J.S.A. 56:8-1(c).

51. The used motor vehicles advertised, offered for sale and sold by Defendants comprise merchandise within the meaning of the CFA.

52. In the operation of their used motor vehicle dealership, Defendants, have engaged in the use of unconscionable commercial practices, deception, misrepresentations and/or the knowing omissions of material fact.

53. Defendants' conduct in violation of the CFA includes, but is not limited to, the following unconscionable commercial practices and/or acts of deception:

a. Advertising and offering for sale used motor vehicles through the Nu 2 U Website and Pine Valley Website without disclosing the total selling price;

b. Advertising, offering sale and/or selling used motor vehicles to which Defendants did not have the title;

c. Advertising used motor vehicles at prices that were far in excess of the vehicles' estimated value;

d. Selling used motor vehicles at prices that were far in excess of the vehicles' estimated value;

e. Inflating the advertised price of a used motor vehicle by charging for a "reconditioning fee" which was of no apparent value;

f. Inflating the advertised price of a used motor vehicle by charging for a "safety check fee" when no such inspection was performed;

g. Failing to disclose documentary service fees charged to consumers;

h. Requiring consumers who financed their used motor vehicle purchase to execute a "Right of Repossession" form which prohibited consumers from keeping personal property in the vehicle and which permitted Defendants' repossession of the vehicle without advance notice;

i. Failing to provide consumers with complete copies of signed sales documents, including financing agreements;

j. Failing to provide consumers with motor vehicle license plates, title and registration prior to the expiration of temporary title and/or registration;

k. Failing to refund monies paid by consumers after consumers cancelled the sales transaction;

l. Repossessing motor vehicles after consumers defaulted on Defendants' loans without providing consumers with any advance notice;

m. Denying consumers' access to their personal property after the consumers' motor vehicles had been repossessed;

n. Selling the same used motor vehicles multiple times following consumer loan defaults and repossessions through a "churning" process; and

o. Failing to respond to consumer inquiries about, among other things, when license plates would be available.

54. Each unconscionable commercial practice and/or act of deception by Defendants constitutes a separate violation of the CFA, N.J.S.A. 56:8-2.

COUNT II

VIOLATION OF THE CFA BY DEFENDANTS (MISREPRESENTATIONS AND KNOWING OMISSIONS OF MATERIAL FACTS)

55. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 54 above as if more fully set forth herein.

56. Defendants' conduct in violation of the CFA includes, but is not limited to, the following misrepresentations and/or knowing omissions of material fact:

a. Misrepresenting in advertisements the required down payment to purchase used motor vehicles;

b. Advertising and offering for sale used motor vehicles without disclosing that they were previously damaged and/or required substantial repair and body work, including motor vehicles branded as "salvage;"

c. Advertising and offering for sale used motor vehicles without disclosing that they were previously used as commercial rental vehicles; and

d. Failing to disclose mechanical problems with used motor vehicles advertised and sold to consumers.

57. Each misrepresentation and/or knowing omission of material fact by Defendants constitutes a separate violation of the CFA, N.J.S.A. 56:8-2.

COUNT III

VIOLATION OF THE CFA BY DEFENDANTS (FAILURE TO DISPLAY TOTAL SELLING PRICE)

58. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 57 above as if more fully set forth at length herein.

59. The CFA requires that persons offering merchandise for sale display the total selling price, as follows:

> It shall be an unlawful practice for any person to sell, attempt to sell or offer for sale any merchandise at retail unless the total selling price of such merchandise is plainly marked by a stamp, tag, label or sign affixed to the merchandise or located at the point where the merchandise is offered for sale.
>
> [N.J.S.A. 56:8-2.5.]

In addition, the CFA provides:

> For purposes of this act, each day for which the total selling price is not marked in accordance with the provisions of this act for each group of identical merchandise shall constitute a separate violation of this act of which the act is a supplement.
>
> [N.J.S.A. 56:8-2.6.]

60. In the operation of their dealerships, Defendants repeatedly advertised and/or offered for sale used motor vehicles without labeling or displaying the total selling price and, instead, stated in effect that the consumer was required to call for the price.

61. In the operation of the Nu 2 U Website and the Pine Valley Website, Defendants advertised and/or offered for sale used motor vehicles without including the total selling price and, instead, stated that the consumer was required to call for the price of the motor vehicle.

62. Each instance and each day where Defendants advertised and/or offered for sale a used motor vehicle without labeling or displaying the total selling price constitutes a separate violation of the CFA, N.J.S.A. 56:8-2.5 and N.J.S.A. 56:8-2.6.

COUNT IV

VIOLATION OF THE CFA BY DEFENDANTS (FAILURE TO PROVIDE SIGNED COPY OF SALES DOCUMENTS)

63. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 62 above as if more fully set forth herein.

64. The CFA requires that consumers be provided with full and accurate copies of documents presented to them for signature:

> It shall be an unlawful practice for a person in connection with a sale of merchandise to require or request the consumer to sign any document as evidence or acknowledgment of the sales transaction, of the existence of the sales contract, or of the discharge by the person of any obligation to the consumer specified in or arising out of the transaction or contract, unless he shall at the same time

provide the consumer with a full and accurate copy of the document so presented for signature...

[N.J.S.A. 56:8-2.22.]

65. In connection with their sales of used motor vehicles, Defendants failed to provide consumers with complete copies of sales documents that the consumers had signed.

66. Each instance where Defendants failed to provide copies of signed sales documents constitutes a separate violation of the CFA, N.J.S.A. 56:8-2.22.

COUNT V

VIOLATION OF THE MOTOR VEHICLE ADVERTISING REGULATIONS BY DEFENDANTS (FAILURE TO MAKE REQUIRED DISCLOSURES)

67. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 66 above as if more fully set forth at length herein.

68. The Motor Vehicle Advertising Regulations address, among other things, general advertising practices concerning motor vehicles offered for sale in the State.

69. The Motor Vehicle Advertising Regulations set forth certain mandatory disclosure requirements for advertisements for the sale of used motor vehicles. Specifically, N.J.A.C. 13:45A-26A.5(b) addresses the required disclosures for used motor vehicles and provides, in pertinent part:

(b) In any advertisement offering for sale a used motor vehicle at an advertised price, the information described in (a)1,2,4,5 and 6 above must be included, as well as the following additional information:

2. The nature of prior use unless previously and exclusively owned or leased for individuals for their personal use, when such prior use is known or should have been known by the advertiser.

[N.J.A.C. 13:45A-26A.5(b)(2).]

70. The Motor Vehicle Advertising Regulations further provide, in pertinent part:

(a) In any type of motor vehicle advertising, the following practices shall be unlawful:

. . . .

7. The failure to disclose that the motor vehicle had been previously damaged and that substantial repair or body work has been performed on it when such prior repair or body work is known or should have been known by the advertiser; for purposes of this subsection, 'substantial repair or body work' shall mean repair or body work having a retail value of $1,000 or more;

[N.J.A.C. 13:45A-26A.7(a)7.]

71. Finally, the Motor Vehicle Advertising Regulations provide that an advertisement offering for sale a used motor vehicle include the following:

2. A statement that 'price(s) include(s) all costs to be paid by a consumer, except for licensing costs, registration fees and taxes'. If this statement appears as a footnote, it must be set forth in at least 10 point type. For purposes of this subsection, 'all costs to be paid by a consumer' means manufacturer-installed options, freight, transportation, shipping, dealer preparation, and any other costs to be borne by a consumer except licensing costs, registration fees and taxes;

[N.J.A.C. 13:45A-26A.5(a)2.]

72. Defendants' conduct in violation of the Motor Vehicle Advertising Regulations includes, but is not limited to, the following:

a. Failing to disclose that advertised used motor vehicles were previously used as commercial rental vehicles;

b. Failing to disclose that advertised used motor vehicles were previously damaged and were subjected to substantial repair and body work, including motor vehicles branded as "salvage;" and

c. In their advertisement of used motor vehicles on the Nu 2 U Website and the Pine Valley Website, failing to include the required statement that

"price(s) include(s) all costs to be paid by the consumer, except for licensing costs, registration fees, and taxes."

73. Defendants' conduct constitutes multiple violations of the Motor Vehicle Advertising Regulations, N.J.A.C. 13:45A-26A.5(b)2, N.J.A.C. 13:45A-26A.7(a)7 and N.J.A.C. 13:45A-26A.5(a)2, each of which constitutes a per se violation of the CFA, N.J.S.A. 56:8-2.

COUNT VI

VIOLATION OF THE AUTOMOTIVE SALES REGULATIONS BY DEFENDANTS

74. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 73 above as if more fully set forth herein.

75. The Automotive Sales Regulations, N.J.A.C. 13:45A-26B.1 et seq., identify unlawful practices involving the sale of motor vehicles.

76. The Automotive Sales Regulations, specifically N.J.A.C. 13:45A-26B.1, define "documentary service fee" as "any monies or other thing of value, which an automotive dealer accepts from a consumer in exchange for a documentary service."

77. The Automotive Sales Regulations define "documentary service" as follows:

> the preparation and processing of documents in connection with the transfer of license plates, registration, or title, and the preparation and processing of other documents relating to the sale of a motor vehicle.
>
> [N.J.A.C. 13:45A-26B.1.]

78. With respect to documentary service fees, the Automotive Sales Regulations provide, in pertinent part:

(a) In connection with the sale of a motor vehicle, which includes the assessment of a documentary service fee, automotive dealers shall not:

1. Represent to a consumer that a governmental entity requires the automotive dealer to perform any documentary service; or

2. Accept, charge or obtain from a consumer monies, or any other thing of value, in exchange for the performance of any documentary service without first itemizing the actual documentary service, which is being performed and setting forth in writing, in at least 10-point type, on the sale document the price for each specific documentary service.

[N.J.A.C. 13:45A-26B.3.]

79. Defendants' conduct in violation of the Automotive Sales Regulations includes, but is not limited to, failing to itemize all documentary service fees.

80. Defendants' conduct constitutes multiple violations of the Automotive Sales Regulations, N.J.A.C. 13:45A-26B.3, each of which constitutes a per se violation of the CFA, N.J.S.A. 56:8-2.

COUNT VII

VIOLATION OF THE UCLL BY DEFENDANTS

81. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 80 above as if more fully set forth herein.

82. The UCLL, N.J.S.A. 56:8-68, provides, in pertinent part, as follows:

It shall be an unlawful practice for a [used motor vehicle] dealer:

a. To fail to disclose, prior to sale, any material defect in the mechanical condition of the used motor vehicle which is known to the dealer;

. . .

[N.J.S.A. 56:8-68.]

83. Defendants violated the UCLL by engaging in conduct including, but not limited to, failing to disclose known material defects in the mechanical condition of used motor vehicles advertised and offered for sale.

84. Each instance of Defendants failing to disclose these material defects constitutes a separate violation of the UCLL, N.J.S.A. 56:8-68.

COUNT VIII

VIOLATION OF THE UCLL AND UCLL REGULATIONS BY DEFENDANTS (FAILURE TO FILE DOCUMENTATION AND REMIT ADMINISTRATIVE FEES)

85. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 84 above as if more fully set forth at length.

86. The UCLL provides the Director with the authority to establish certain fees to apply to the administration and enforcement of the UCLL. Specifically, N.J.S.A. 56:8-80 provides:

> The director may establish an administrative fee, to be paid by the consumer, in order to implement the provisions of this act, which fee shall be fixed at a level not to exceed the cost for the administration and enforcement of this act.

87. The UCLL Regulations, N.J.A.C. 13:45A-26F.6(a)-(b)(1), established the "Fifty Cent Rule" on February 1, 1999. Specifically, N.J.A.C. 13:45A-26F.6(a)-(b)(1) provides:

> (a) At the time of sale a dealer shall collect an administrative fee of $0.50 from each consumer who purchases a used motor vehicle in the State of New Jersey which transaction is subject to the Act and this subchapter, including a consumer who elects to waive the warranty pursuant to N.J.A.C. 13:45A-26F.4.
>
> (b) On the 15th of every January, a dealer shall mail to the Used Car Lemon Law Unit, the following:
>
> 1. A check or money order made payable to the "New Jersey Division of Consumer Affairs," in an amount equal to the total sum of administrative fees collected during the preceding calendar year....

88. The UCLL Regulations, N.J.A.C. 13:45A-26F.6(b)(2), further establish certain reporting requirements for used motor vehicle dealerships. Specifically, N.J.A.C. 13:45A-26F.6(b)(2) provides:

> (b) On the 15th of every January, a dealer shall mail to the Used Car Lemon Unit, the following:
>
> 2. A completed "Certification of Administrative Fees" form ... indicating the number of used cars sold each month by the dealer during the preceding calendar year.

89. From at least 2010 to the present, Nu 2 U functioned as a "dealer" within the meaning of the UCLL and UCLL Regulations.

90. From at least 2015 to the present, Pine Valley functioned as a "dealer" within the meaning of the UCLL and UCLL Regulations.

91. Each used motor vehicle that Defendants sold to a consumer was subject to the UCLL and, as such, obligated Defendants to collect and remit administrative fees to the Division's UCLL Unit.

92. For 2015 and 2016, Defendants failed to remit the UCLL fees as required by N.J.A.C. 13:45A-26F.6(b).

93. For 2015 and 2016, Defendants failed to submit the documentation required by N.J.A.C. 13:45A-26F.6(b) to the Division's UCLL Unit.

94. Each failure by Defendants to timely remit to the Division's UCLL Unit the administrative fees and/or documentation concerning the used motor vehicles Defendants sold constitutes a separate violation of the UCLL, N.J.S.A. 56:8-80, and the UCLL Regulations, N.J.A.C. 13:45A-26F.6.

COUNT IX

VIOLATION OF THE CFA, THE MOTOR VEHICLE ADVERTISING REGULATIONS, THE AUTOMOTIVE SALES REGULATIONS, THE UCLL AND THE UCLL REGULATIONS BY K. COHEN

95. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 94 above as if more fully set forth herein.

96. At all relevant times, K. Cohen has been the owner, operator, president and/or principal of Nu 2 U and has formulated, directed, controlled and/or participated in its management and operations, including the conduct alleged in this Complaint.

97. At all relevant times, K. Cohen has been the owner, operator, president and/or principal of Pine Valley and has formulated, directed, controlled and/or participated in its management and operations, including the conduct alleged in this Complaint.

98. K. Cohen's conduct makes him personally liable for the violations of CFA, the Motor Vehicle Advertising Regulations, the Automotive Sales Regulations, the UCLL and the UCLL Regulations by Nu 2 U and Pine Valley.

PRAYER FOR RELIEF

WHEREFORE, based upon the foregoing allegations, the Plaintiffs respectfully request that the Court enter judgment against Defendants:

(a) Finding that the acts and omissions of Defendants constitute multiple instances of unlawful practices in violation of the CFA, N.J.S.A. 56:8-1 et seq., the Motor Vehicle Advertising Regulations, N.J.A.C. 13:45A-26A.1 et seq., the Automotive Sales Regulations, N.J.A.C. 13:45A-26B.1 et seq., the UCLL, N.J.S.A. 56:8-80 and the UCLL Regulations, N.J.A.C. 13:45A-26F.1 et seq.;

(b) Permanently enjoining Defendants and their owners, officers, directors, shareholders, founders, members, managers, agents, servants, employees, representatives, independent contractors, corporations, subsidiaries, affiliates, successors, assigns and all other persons or entities directly under their control, 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., the Motor Vehicle Advertising Regulations, N.J.A.C. 13:45A-26A.1 et seq., the Automotive Sales Regulations, N.J.A.C. 13:45A-26B.1 et seq., the UCLL, N.J.S.A. 56:8-80 and the UCLL Regulations, N.J.A.C. 13:45A-26F.1 et seq., including, but not limited to, the acts and practices alleged in the Complaint;

(c) Finding that K. Cohen is personally liable for the violations of the CFA, N.J.S.A. 56:8-1 et seq., the Motor Vehicle Advertising Regulations, N.J.A.C. 13:45A-26A.1 et seq., the Automotive Sales Regulations, N.J.A.C. 13:45A-26B.1 et seq., the UCLL, N.J.S.A. 56:8-80 and the UCLL Regulations, N.J.A.C. 13:45A-26F.1 et seq., committed by Nu 2 U and Pine Valley;

(d) Permanently enjoining Nu 2 U and Pine Valley from advertising, offering for sale and/or selling used motor vehicles and directing that their business operations be terminated and their business premises be closed, as authorized by the CFA, N.J.S.A. 56:8-8;

(e) Cancelling the limited liability status of Nu 2 U and vacating the corporate charter of Pine Valley, as authorized by the CFA, N.J.S.A. 56:8-8;

(f) Permanently enjoining K. Cohen from owning, managing and/or operating any business that advertises, offers for sale and/or sells new or used motor vehicles in New Jersey or to persons in New Jersey, as authorized by the CFA, N.J.S.A. 56:8-8;

(g) Directing Defendants, jointly and severally, to restore to any affected person, whether or not named in this Complaint, any money or real or personal property acquired by means of any practice alleged herein to be unlawful and found to be unlawful, as authorized by the CFA, N.J.S.A. 56:8-8;

(h) Directing Defendants, jointly and severally, to pay the maximum statutory civil penalties for each and every violation of the CFA, in accordance with N.J.S.A. 56:8-13;

(i) Directing Defendants, jointly and severally, to pay costs and fees, including attorneys' fees, for the use of the State of New Jersey, as authorized by the CFA, N.J.S.A. 56:8-11 and N.J.S.A. 56:8-19; and

(j) Granting such other relief as the interests of justice may require.

GURBIR S. GREWAL
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiffs

By: _____
Jeffrey Koziar
Deputy Attorney General
Consumer Fraud Prosecution Section

Dated: March 5, 2019
Newark, New Jersey

RULE 4:5-1 CERTIFICATION

I certify, to the best of my information and belief, that the matter in controversy in this action involving the aforementioned violations of the CFA, the Motor Vehicle Advertising Regulations, the Automotive Sales Regulations, the UCLL and the UCLL Regulations is not the subject of any other action pending in any other court of this State. I further certify, to the best of my information and belief, that the matter in controversy in this action is not the subject of a pending arbitration proceeding in this State, nor is any other action or arbitration proceeding contemplated. I certify that there is no other party that should be joined in this action at this time.

GURBIR S. GREWAL
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiffs

By: _____
Jeffrey Koziar
Deputy Attorney General
Consumer Fraud Prosecution Section

Dated: March 5, 2019
Newark, New Jersey

RULE 1:38-7(c) CERTIFICATION OF COMPLIANCE

I certify that confidential personal identifiers have been redacted from documents now submitted to the court, and will be redacted from all documents submitted in the future in accordance with Rule 1:38-7(b).

GURBIR S. GREWAL
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiffs

By: _____
Jeffrey Koziar
Deputy Attorney General
Consumer Fraud Prosecution Section

Dated: March 5, 2019
Newark, New Jersey

DESIGNATION OF TRIAL COUNSEL

Pursuant to R. 4:25-4, Deputy Attorney General Jeffrey Koziar is hereby designated as trial counsel for the Plaintiffs in this action.

GURBIR S. GREWAL
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiffs

By: _____
Jeffrey Koziar
Deputy Attorney General
Consumer Fraud Prosecution Section

Dated: March 5, 2019
Newark, New Jersey