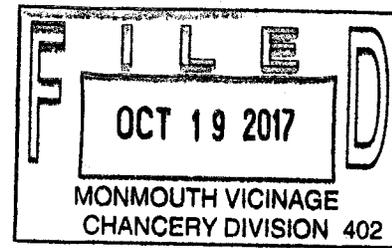


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SUPERIOR COURT OF NEW JERSEY  
CHANCERY DIVISION, MONMOUTH COUNTY  
DOCKET NO. MON-C- 171-17

CHRISTOPHER S. PORRINO, Attorney General of the  
State of New Jersey, and SHARON M. JOYCE, Acting  
Director of the New Jersey Division of Consumer Affairs,

Plaintiffs,

v.

ECO-COASTAL LIMITED LIABILITY COMPANY;  
JAMES J. SULLIVAN, individually and as owner,  
officer, director, founder, member, manager,  
representative and/or agent of ECO-COASTAL  
LIMITED LIABILITY COMPANY; JANE AND JOHN  
DOES 1-20, individually and as owners, officers,  
directors, founders, members, managers, employees,  
servants, agents, representatives and/or independent  
contractors of ECO-COASTAL LIMITED LIABILITY  
COMPANY; and XYZ CORPORATIONS 1-20,

Defendants.

Civil Action

**COMPLAINT**

Plaintiffs Christopher S. Porrino, Attorney General of the State of New Jersey (“Attorney General”), with offices located at 124 Halsey Street, Fifth Floor, Newark, New Jersey, and Sharon M. Joyce, Acting Director of the New Jersey Division of Consumer Affairs (“Director”), with offices located at 124 Halsey Street, Seventh Floor, Newark, New Jersey, by way of Complaint state:

## PRELIMINARY STATEMENT

1. In the wake of the devastation caused by Superstorm Sandy, it became necessary for homeowners across the State of New Jersey (“New Jersey” or “State”) to repair their existing homes and/or elevate their existing homes or properties to keep them safe from future storms. The Reconstruction, Rehabilitation, Elevation and Mitigation (“RREM”) Program was established by the New Jersey Department of Community Affairs (“DCA”) to provide grants to homeowners, among other things, for home elevation and new home construction. At all relevant times, Eco-Coastal Limited Liability Company (“Eco-Coastal”), owned and operated by James J. Sullivan (“Sullivan”), was among the contractors hired by RREM Program grant recipients.

2. To date, the New Jersey Division of Consumer Affairs (“Division”) has received six (6) consumer complaints regarding the home improvement and/or home elevation work performed by Eco-Coastal and Sullivan (collectively, “Defendants”). The complaints have revealed multiple violations of the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq. (“CFA”), the Contractors’ Registration Act, N.J.S.A. 56:8-136 et seq., and the regulations promulgated thereunder, specifically the Regulations Governing Contractor Registration, N.J.A.C. 13:45A-17.1 et seq. (“Contractor Registration Regulations”), the Regulations Governing Home Elevation Contractors, N.J.A.C. 13:45A-17A.1 et seq. (“Home Elevation Regulations”) and the Regulations Governing Home Improvement Practices, N.J.A.C. 13:45A-16.1 et seq. (“Home Improvement Regulations”). Among other things, these alleged violations arise from Defendants’: (a) failure to include required information in home elevation and home improvement contracts (e.g., the dates or time period on or within which the work is to begin and/or be completed, a description of the principal products and materials to be used or installed, and/or the terms and conditions affecting price, including the hourly rate for labor); (b) failure to perform the contracted-for home improvement and/or home elevation

work after receipt of RREM Program funds and/or consumer payments; and (c) failure to perform home improvement and/or home elevation work in a satisfactory manner and subsequent failure to make the necessary corrective repairs. Further, Eco-Coastal is in violation of a Consent Order, filed with the Division on April 21, 2016 (“4/21/16 Consent Order”). The Attorney General and Director commence this action to halt Defendants’ deceptive business practices, and to obtain consumer restitution and other monetary relief.

### **PARTIES AND JURISDICTION**

3. The Attorney General is charged with the responsibility of enforcing the CFA, the Contractors’ Registration Act, and the regulations promulgated thereunder, specifically the Contractor Registration Regulations, the Home Elevation Regulations, and the Home Improvement Regulations. The Director is charged with the responsibility of administering the CFA, the Contractors’ Registration Act, the Contractor Registration Regulations, the Home Elevation Regulations and the Home Improvement Regulations on behalf of the Attorney General.

4. By this action, the Attorney General and Director (collectively, “Plaintiffs”) seek injunctive and other relief for violations of the CFA, the Contractors’ Registration Act, the Contractor Registration Regulations, the Home Elevation Regulations, and the Home Improvement Regulations. Plaintiffs bring this action pursuant to their authority under the CFA, specifically N.J.S.A. 56:8-8, 56:8-11, 56:8-13 and 56:8-19.

5. Venue is proper in Monmouth County, pursuant to R. 4:3-2, because it is a county in which the Defendants have maintained a business address and otherwise conducted business.

6. On June 9, 2011, Eco-Coastal was established as a Limited Liability Company in the State. At all relevant times, Eco-Coastal has maintained a principal business and mailing address of 2 Ellis Court, Monmouth Beach, New Jersey 07750 (“2 Ellis Court, Monmouth Beach”).

7. Eco-Coastal's registered agent in the State is Sullivan, with a mailing address of 2 Ellis Court, Monmouth Beach.

8. At all relevant times, Sullivan has been the owner, officer, director, founder, member, manager, representative and/or agent of Eco-Coastal and has controlled, directed and/or participated in the management and operation of Eco-Coastal. Sullivan's current address is 11 Chapin Avenue, Red Bank, New Jersey 07701.

9. John and Jane Does 1 through 20 are fictitious individuals meant to represent the owners, officers, directors, founders, members, managers, agents, servants, employees and/or representatives of Eco-Coastal who have been involved in the conduct that gives rise to this Complaint, but are heretofore unknown to Plaintiffs. As these defendants are identified, Plaintiffs shall amend the Complaint to include them.

10. XYZ Corporations 1 through 20 are fictitious corporations meant to represent any additional business entities who have been involved in the conduct that gives rise to the Complaint, but are heretofore unknown to Plaintiffs. As these defendants are identified, Plaintiffs shall amend the Complaint to include them.

**GENERAL ALLEGATIONS COMMON TO ALL COUNTS**

11. Since at least April 2014, Defendants have been engaged in the advertisement, offer for sale, sale and performance of home improvement and/or home elevation work in New Jersey.

12. At all relevant times, Eco-Coastal was hired by RREM Program grant recipients to perform home improvement and/or home elevation work.

**A. RREM Program:**

13. The RREM Program, administered by DCA, consists of \$1.1 billion in federal funding provided through Community Development Block Grant Disaster Recovery funds allocated

to New Jersey by the U.S. Department of Housing and Urban Development, to help eligible New Jersey homeowners repair or rebuild their Superstorm Sandy-damaged homes.

14. The RREM Program provides grants to homeowners with an income of \$250,000.00 or less, for activities necessary to restore their storm-damaged primary residences, including reconstruction, rehabilitation, elevation and/or other mitigation activities.

15. The RREM Program is open to homeowners whose primary residence is located in one of nine (9) New Jersey counties (Atlantic, Bergen, Cape May, Essex, Hudson, Middlesex, Monmouth, Ocean or Union) and whose homes suffered a loss of at least \$8,000.00 or one foot of water on the first floor, as verified by the Federal Emergency Management Agency (“FEMA”) or its affiliates.

16. The RREM Program is intended to function as a bridge between the total cost of repairs and other funding the homeowner has received to repair or rebuild his/her home. The calculation of the RREM grant takes into consideration the cost of the repair or rebuilding and funds the homeowner has received from other sources, such as insurance, FEMA, and non-profit organizations. The RREM grant may not exceed \$150,000.00 for construction. As of October 13, 2014, an additional RREM grant of up to \$15,000 was available to homeowners for design services.

17. The RREM Program Pathway B (“Pathway B”) is a program that allows eligible homeowners to select their own general contractor to repair or rebuild their home. The general contractor must be licensed and/or registered with the State, and compliant with all State and Federal regulations applicable to the RREM Program.

18. To date, four (4) of the six (6) consumers who have submitted complaints to the Division contracted with Defendants as Pathway B Homeowners. These consumers paid Defendants the aggregate amount of \$414,422.71 for home elevations or repair of existing dwellings, which

were not performed in whole or in part. Out of that amount, \$322,960.29 represented RREM funds. The RREM consumers with identified losses, as well as the funds each paid to Defendants is as follows:

| LAST NAME    | RREM Funds Paid to Defendants | Consumer Monies Paid to Defendants | Total Amount Paid to Defendants | Estimated Restitution to Date | Contracted for Work                 |
|--------------|-------------------------------|------------------------------------|---------------------------------|-------------------------------|-------------------------------------|
| Brunermer    | \$56,050.82                   | \$0.00                             | \$56,050.82                     | \$56,050.82                   | Home Elevation                      |
| Ivan         | \$75,000.00                   | \$66,424.89                        | \$141,424.89                    | \$131,424.89                  | Home Improvement/<br>Home Elevation |
| Kaplun       | \$79,909.47                   | \$25,037.53                        | \$104,947.00                    | \$40,000.00                   | Home Improvement/<br>Home Elevation |
| Racioppi     | \$112,000.00                  | \$0.00                             | \$112,000.00                    | \$5,584.85                    | Home Improvement                    |
| <b>TOTAL</b> | <b>\$322,960.29</b>           | <b>\$91,462.42</b>                 | <b>\$414,422.71</b>             | <b>\$233,060.56</b>           |                                     |

**C. Home Improvement Contractor Registration:**

19. On or about August 16, 2011, Eco-Coastal submitted to the Division a Home Improvement Contractor Application for Initial Registration (“Eco-Coastal HIC Initial Application”) for registration as a home improvement contractor (“HIC”) in the State.

20. In the Eco-Coastal HIC Initial Application, Sullivan was identified as President and 100% owner of Eco-Coastal.

21. On August 31, 2011, the Division registered Eco-Coastal as an HIC and issued it registration number 13VH06431200.

22. Eco-Coastal renewed its HIC registration on December 6, 2012, January 4, 2014 and February 5, 2015.

23. As of March 31, 2016, Eco-Coastal’s HIC registration expired.

24. At no time was Eco-Coastal registered with the Division as a Home Elevation Contractor.

**D. Defendants' Business Practices Generally:**

25. At least as of April 2014, Defendants utilized a contract for home elevation and/or home improvement work ("HE/HIC Contract") that did not include: (a) the dates or time period on or within which the work is to begin and/or be completed; (b) a description of the principal products and materials to be used or installed; (c) the terms and conditions affecting price, including the hourly rate for labor; (d) the required "Notice to Consumer" cancellation language; (e) the informational statement and toll-free telephone number provided by the Director of the Division for consumers making inquiries concerning HICs; and (f) Defendants' HIC registration number. Upon information and belief, Defendants did not otherwise provide this information to consumers who entered into HE/HIC Contracts.

26. At least as February 2014, Defendants utilized a contract for home improvements ("HIC Contract") that did not include: (a) the dates or time period on or within which the work is to begin and/or be completed; (b) a description of the principal products and materials to be used or installed; (c) the terms and conditions affecting price, including the hourly rate for labor; (d) the required "Notice to Consumer" cancellation language; (e) the informational statement and toll-free telephone number provided by the Director of the Division for consumers making inquiries concerning HICs; and (f) Defendants' HIC registration number. Upon information and belief, Defendants did not otherwise provide this information to consumers who entered into HIC Contracts.

27. At all relevant times, Defendants' correspondence failed to include: (a) the informational statement and toll-free telephone number provided by the Director of the Division for consumers making inquiries concerning HICs; and (b) Defendants' HIC registration number.

28. On at least one occasion, Defendants failed to provide consumers with a copy of their certificate of commercial general liability insurance as well as the telephone number of the company issuing the certificate.

29. At all relevant times, Sullivan executed the HE/HIC Contracts and HIC Contracts on behalf of Eco-Coastal.

30. At all relevant times, Sullivan is identified as "President" of Eco-Coastal in the HE/HIC Contracts and HIC Contracts.

31. At all relevant times, Sullivan was the point of contact for consumers who entered into HE/HIC Contracts or HIC Contracts.

32. At all relevant times, Sullivan endorsed consumer checks made out to Defendants for contracted-for home improvements and/or home elevations.

33. At all relevant times, Sullivan supervised Defendants' contracted-for home improvement and/or home elevation work.

34. At varying times, Sullivan communicated with consumers by telephone and e-mail, among other things, regarding revisions to engineering plans and disputes over the amounts Defendants billed for home elevation and/or home improvement work.

35. Upon information and belief, at all relevant times, Sullivan requested and accepted payments on behalf of Eco-Coastal.

36. At all relevant times, Defendants failed to complete the home elevation work specified in the HE/HIC Contract.

37. At all relevant times, Defendants failed to complete the home improvement work specified in the HE/HIC Contract and/or HIC Contract.

38. At varying times, Defendants accepted consumer payments, which included RREM funds, and commenced home elevation and/or home improvement work, only to abandon the project and not return to the consumers' homes for weeks, months or at all.

39. At varying times, Defendants failed to give notice to consumers regarding delays in the commencement and/or performance of the home elevation and/or home improvement work.

40. At varying times, Defendants failed to respond to consumers' calls, e-mails and/or texts inquiring into when Defendants would continue home elevation and/or home improvement work that had been commenced, but then had been abandoned.

41. At varying times, Defendants rescheduled dates for the commencement of home elevation and/or home improvement work, but then failed to commence the work.

42. At varying times, Defendants required consumers to make significant initial payments, which included RREM funds and/or consumer monies, but then failed to perform the contracted-for home elevation and/or home improvement work.

43. At varying times, Defendants failed to pay subcontractors who were performing the contracted-for home elevation and/or home improvement work, which resulted in the work being stopped or delayed, when the subcontractor refused to continue the work until payment was received. On at least two (2) occasions, Defendants' failure to pay subcontractors resulted in consumers having to pay the subcontractor out-of-pocket for the contracted-for work which was Defendants' obligation.

44. At varying times, Defendants demanded full payment from consumers prior to completion of the home elevation and/or home improvement work.

45. At varying times, Defendants accepted consumer payments, which included RREM funds, failed to complete the home elevation and/or home improvement work, and then failed to provide refunds to consumers for the work that was not completed.

46. At varying times, Defendants refused to provide consumers with documents required by the RREM Program (e.g. invoices).

47. At varying times, Defendants performed home improvement work in a substandard manner and then failed to make the necessary corrective repairs including, but not limited to: (a) failing to make any repairs to the interior portions of a home that had been gutted by Defendants; and (b) installing support posts for a front porch that had to be removed and reinstalled by a second contractor.

48. At varying times, Defendants performed home elevation work in a substandard manner and then failed to make the necessary corrective repairs including, but not limited to: (a) elevating a home and failing to tie it to the new foundation; and (b) installing a new foundation as part of the home elevation that was not level, and therefore, needed to be replaced by a second contractor.

49. On at least three (3) occasions, Defendants performed home elevation work in a substandard manner and then failed to make the necessary corrective repairs, which resulted in the consumers' homes failing inspection.

50. On at least three (3) occasions, Defendants misrepresented to a consumer that a construction permit had been obtained and proceeded to commence home elevation work and/or home improvement work.

51. Defendants' failure to obtain the requisite construction permit resulted in a Notice and Order of Penalty being issued to at least two (2) consumers, which included a fine.

**E. 4/21/16 Consent Order:**

52. On April 21, 2016, the Division and Eco-Coastal entered into the 4/21/16 Consent Order to resolve a Notice of Violation and Offer of Settlement that was issued following the Division's receipt of several consumer complaints.

53. Section 3 of the 4/21/16 Consent Order sets forth required and prohibited business practices which, among other things, directed: (a) compliance with the CFA, the Contractors' Registration Act, the Contractor Registration Regulations and the Home Improvement Regulations; (b) inclusion of the "Notice to Consumer" cancellation language in contracts; (c) commencement or completion of home improvement work on the date or within the time period specified in the contract or as otherwise represented; and (d) timely written notice to be given to consumers of any reasons beyond Eco-Coastal's control for any delay in performance and the date or time for commencement or completion of the work.

54. Additionally, Section 6 of the 4/21/16 Consent Order also directed payment of a civil penalty of \$2,500.00, \$1,250.00 of which Eco-Coastal was required to pay ("Settlement Payment") contemporaneously with the signing of the 4/21/16 Consent Order, and \$1,250.00 of which was suspended and would be automatically vacated after one (1) year ("Suspended Penalty"), so long as Eco-Coastal made the Settlement Payment and complied with the other terms and conditions of the 4/21/2016 Consent Order.

55. Further, Section 9 of the 4/21/16 Consent Order directed that:

... any future violations by [Eco-Coastal] of the provisions of Section 3 of this Consent Order, the CFA, the Contractors' Registration Act, the Contractor Registration Regulations and/or the Home Improvement Regulations shall constitute a second or succeeding violation pursuant to N.J.S.A. 56:8-13 and that [Eco-Coastal] may be liable for enhanced civil penalties.

56. Eco-Coastal failed to make the Settlement Payment upon the signing of the 4/21/16 Consent Order.

57. Between April 26, 2016 and July 6, 2016 and in accordance with the 4/21/16 Consent Order, the Division sent four (4) written notices seeking Eco-Coastal's payment of the Settlement Payment ("Notice to Cure"). Eco-Coastal did not respond to any of the Division's four (4) Notices to Cure.

58. As of the date of this Complaint, Eco-Coastal has failed to pay any amount on account of the Settlement Payment and the Suspended Penalty.

### **COUNT I**

#### **VIOLATION OF THE CFA BY DEFENDANTS (UNCONSCIONABLE COMMERCIAL PRACTICES)**

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

60. 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 or real estate, or with the subsequent performance of such person as aforesaid, whether or not any person has in fact been misled, deceived or damaged thereby...

61. 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).

62. At all relevant times, Defendants have been engaged in the advertisement and sale of merchandise within the meaning of N.J.S.A. 56:8-1(c) including, but not limited to, home improvement and home elevation work.

63. In the operation of their business, Defendants have engaged in the use of unconscionable commercial practices, false promises and/or misrepresentations.

64. Defendants have engaged in unconscionable commercial practices including, but not limited to, the following:

- a. Entering into HE/HIC Contracts, accepting consumer payments, which included RREM funds, and then failing to complete the home elevation work;
- b. Entering into a HIC Contract, accepting consumer payments, which included RREM funds, and then failing to complete the home improvement work;
- c. Accepting consumer payments, which included RREM funds, and then commencing home elevation and/or home improvement work, only to abandon the project and fail to return to the consumer's home for weeks, months or at all;
- d. Failing to respond to consumers' calls, e-mails and/or texts inquiring when Defendants would continue and/or complete the home elevation and/or home improvement work;
- e. Requiring consumers to make significant initial payments, which included RREM funds and consumer monies, and then failing to perform the contracted-for home elevation and/or home improvement work;
- f. Failing to pay subcontractors who were performing the contracted-for home elevation and/or home improvement work, which resulted in the work being stopped or delayed, when the subcontractor refused to continue the work until payment was received from Defendants;
- g. Demanding full payment from consumers prior to completion of the home elevation and/or home improvement work;
- h. Failing to complete home elevation and/or home improvement work for which Defendants had accepted payment and then failing to provide refunds to consumers for the work that was not completed;

- i. Refusing to provide consumers documentation required by the RREM program (e.g. invoices);
- j. Failing to obtain the necessary construction permit, despite representing to the consumer that such had been done;
- k. Failing to obtain the necessary construction permit which resulted in the consumer being issued a Notice and Order of Penalty and an assessment of a fine;
- l. Performing home improvements in a substandard manner (e.g. failing to make any repairs to interior portions of a home that had been gutted by Defendants) and then failing to make the necessary corrective repairs;
- m. Performing home elevations in a substandard manner (e.g. elevating a home and failing to attach the house to the new foundation) and then failing to make the necessary corrective repairs;
- n. Performing home elevations in a substandard manner (e.g. elevating a home and failing to attach the house to the new foundation) and then failing to make the necessary corrective repairs, which resulted in a consumer's home failing inspection;
- o. Failing to advise consumers, whether through the HE/HIC Contract, HIC Contract or otherwise, of the dates or time period on or within which the home elevation work was to begin and be completed;
- p. Failing to advise consumers, whether through the HE/HIC Contract, HIC Contract or otherwise, of the principal products and materials to be used or installed in connection with the home elevation work or home improvements; and
- q. Failing to advise consumers, whether through the HE/HIC Contract, HIC Contract or otherwise, of the terms and conditions affecting price, including the hourly rate for labor.

65. Defendants' conduct in violation of the CFA includes, but is not limited to, the following false promises and/or misrepresentations: Representing that a construction permit had been obtained, when such was not the case.

66. Each unconscionable commercial practice and false promise and/or misrepresentation by Defendants constitutes a separate violation under the CFA, N.J.S.A. 56:8-2.

**COUNT II**

**VIOLATION OF THE CONTRACTORS'  
REGISTRATION ACT BY DEFENDANTS**

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

68. The Contractors' Registration Act, among other things, governs the registration of home improvement contractors with the Division.

69. At all relevant times, Defendants have been "Contractor[s]" within the definition of the Contractors' Registration Act, N.J.S.A. 56:8-137.

70. At all relevant times, Defendants have offered to perform and performed "Home Improvement[s]" within the definition of the Contractors' Registration Act, N.J.S.A. 56:8-137.

71. At all relevant times, Defendants have entered into "Home Improvement Contract[s]" within the definition of the Contractors' Registration Act, N.J.S.A. 56:8-137.

72. At all relevant times, Defendants were not exempt from the Contractors' Registration Act pursuant to N.J.S.A. 56:8-140.

73. The Contractors' Registration Act requires that certain information must be displayed by the Contractor and provides, in pertinent part:

a. All registrants shall prominently display their registration numbers within their places of business, in all advertisements distributed within this State, on business documents, contracts and correspondence with consumers of home improvement services in this State, and on all commercial vehicles registered in this State and leased or owned by registrants and used by registrants for the purpose of providing home improvements, except for vehicles leased or rented to customers of registrants by a registrant or any agent or representative thereof.

[N.J.S.A. 56:8-144(a).]

74. The Contractors' Registration Act further provides that "[t]he Director shall provide a toll-free telephone number for consumers making inquiries regarding contractors." N.J.S.A. 56:8-149(b). At all relevant times, the Director established and has published such toll-free telephone number.

75. In this regard, the Contractors' Registration Act requires that:

- b. Any invoice, contract or correspondence given by a registrant to a consumer shall prominently contain the toll-free telephone number provided pursuant to [N.J.S.A. 56:8-149] of this Act.

[N.J.S.A. 56:8-144(b).]

76. Moreover, the Contractors' Registration Act includes a writing requirement for contracts priced in excess of \$500.00 and provides, in pertinent part:

a. On or after December 31, 2005, every home improvement contract for a purchase price in excess of \$500, and all changes in the terms and conditions of the contract, shall be in writing. The contract shall be signed by all parties thereto, and shall clearly and accurately set forth in legible form and in understandable language all terms and conditions of the contract, including but not limited to:

- (1) The legal name, business address, and registration number of the contractor;
- (2) A copy of the certificate of commercial general liability insurance required of a contractor pursuant to [N.J.S.A. 56:8-142] of this act and the telephone number of the insurance company issuing the certificate; and
- (3) The total price or other consideration to be paid by the owner, including the finance charges.

[N.J.S.A. 56:8-151(a).]

77. In addition, the Contractors' Registration Act requires that Home Improvement Contracts include cancellation language as follows:

- b. . . . The contract shall contain a conspicuous notice printed in at least 10-point bold-faced type as follows:

"NOTICE TO CONSUMER

YOU MAY CANCEL THIS CONTRACT AT ANY TIME BEFORE MIDNIGHT OF THE THIRD BUSINESS DAY AFTER RECEIVING A COPY OF THIS CONTRACT. IF YOU WISH TO CANCEL THIS CONTRACT, YOU MUST EITHER:

1. SEND A SIGNED AND DATED WRITTEN NOTICE OF CANCELLATION BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED; OR

2. PERSONALLY DELIVER A SIGNED AND DATED WRITTEN NOTICE OF CANCELLATION TO:

(Name of Contractor)

(Address of Contractor)

(Phone Number of Contractor)

If you cancel this contract within the three-day period, you are entitled to a full refund of your money. Refunds must be made within 30 days of the contractor's receipt of the cancellation notice."

[N.J.S.A. 56:8-151(b).]

78. Defendants have engaged in conduct in violation of the Contractors' Registration Act including, but not limited to, the following:

- a. Failing to include Defendants' HIC registration number in the HE/HIC Contracts, the HIC Contracts and in correspondence with consumers, (N.J.S.A. 56:8-144(a), N.J.S.A. 56:8-151(a)(1));
- b. Failing to include the toll-free telephone number provided by the Director for consumers to call with inquiries or complaints concerning contractors in the HE/HIC Contracts, the HIC Contracts and in correspondence with consumers, (N.J.S.A. 56:8-144(b));
- c. Failing to provide consumers with a copy of Defendants' certificate of commercial general liability insurance as well as the telephone number of the company issuing the certificate along at the time they provide consumers with the HE/HIC Contracts and HIC Contracts (N.J.S.A. 56:8-151(a)(2));
- d. Failing to include the total price or other consideration to be paid by the consumer, including finance charges, in the HE/HIC Contracts and HIC Contracts (N.J.S.A. 56:8-151(a)(3));

- e. Failing to include all of the terms and conditions affecting price (e.g., hourly rate for labor) in the HE/HIC Contracts and HIC Contracts (N.J.S.A. 56:8-151(a)); and
  - f. Failing to include the “Notice to Consumer” required cancellation language in HE/HIC Contracts and HIC Contracts (N.J.S.A. 56:8-151(b)).
79. Defendants’ conduct constitutes multiple violations of the Contractors’ Registration Act, N.J.S.A. 56:8-136 et seq.

### COUNT III

#### VIOLATION OF THE CONTRACTOR REGISTRATION REGULATIONS BY DEFENDANTS

80. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 79 above as if more fully set forth herein.

81. The Contractor Registration Regulations, N.J.A.C. 13:45A-17.1 et seq., among other things, provide procedures for the registration of HICs with the Division.

82. At all relevant times, Defendants have been “Home Improvement Contractor[s]” and/or “Contractor[s]” within the definition of the Contractor Registration Regulations, N.J.A.C. 13:45A-17.2.

83. At all relevant times, Defendants were not exempt from the Division’s contractor registration requirements.

84. At all relevant times, Defendants have performed “Home Improvement[s]” within the definition of the Contractor Registration Regulations, N.J.A.C. 13:45A-17.2.

85. At all relevant times, Defendants have entered into “Home Improvement Contract[s]” within the definition of the Contractor Registration Regulations, N.J.A.C. 13:45A-17.2.

86. The Contractor Registration Regulations require that HICs prominently display certain information and provide, in pertinent part:

(d) A registered home improvement contractor shall prominently display:

....

2. The contractor's registration number on all advertisements distributed within this State, on business documents, contracts and correspondence with consumers of home improvement services within the State.

....

(f) Any invoice, contract or correspondence given by a registrant to a consumer shall prominently contain the toll-free telephone number provided by the Division pursuant to (b) of N.J.S.A. 56:8-149 and shall be displayed in all caps in at least 10-point bold-face type as follows: FOR INFORMATION ABOUT CONTRACTORS AND THE CONTRACTORS' REGISTRATION ACT, CONTACT THE NEW JERSEY DEPARTMENT OF LAW AND PUBLIC SAFETY, DIVISION OF CONSUMER AFFAIRS AT 1-888-656-6225.

[N.J.A.C. 13:45A-17.11(d)(2), (f).]

87. Further, the Contractor Registration Regulations provide that:

In addition to the requirements of a home improvement contract pursuant to N.J.A.C. 13:45A-16.2, every home improvement contract in which a person required to be registered as a home improvement contractor is a party shall comply with the provisions of N.J.S.A. 56:8-151.

[N.J.A.C. 13:45A-17.13.]

88. Defendants have engaged in conduct in violation of the Contractor Registration

Regulations including, but not limited to, the following:

- a. Failing to include Defendants' HIC registration number in the HE/HIC Contracts, the HIC Contracts and in correspondence with consumers (N.J.A.C. 13:45A-17.11(d)(2));
- b. Failing to include the informational statement and toll-free telephone number provided by the Director for consumers making inquiries regarding contractors in the HE/HIC Contracts, the HIC Contracts and in correspondence with consumers (N.J.A.C. 13:45A-17.11(f)); and
- c. Entering into HE/HIC Contracts and/or HIC Contracts with consumers that did not comply with the requirements of N.J.S.A. 56:8-151 (e.g., failing to include the "Notice to Consumer" required cancellation language) (N.J.A.C. 13:45A-17.13).

89. Defendants' conduct constitutes multiple violations of the Contractor Registration Regulations, N.J.A.C. 13:45A-17.1 et seq., each of which constitutes a per se violation of the CFA, N.J.S.A. 56:8-1 et seq.

**COUNT IV**

**VIOLATION OF THE HOME IMPROVEMENT  
REGULATIONS BY DEFENDANTS**

90. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 89 above as if more fully set forth herein.

91. The Home Improvement Regulations, N.J.A.C. 13:45A-16.1 et seq., among other things, prohibit certain acts and practices of a seller in connection with a sale or performance of home improvement contracts, as follows:

- a. Without limiting any other practices which may be unlawful under the Consumer Fraud Act, N.J.S.A. 56:8-1 et seq., utilization by a seller of the following acts and practices involving the sale, attempted sale, advertisement or performance of home improvements shall be unlawful hereunder.

....

- 6. Price and Financing:

....

- v. Request the buyer to sign a certificate of completion, or make final payment on the contract before the home improvement is completed in accordance with the terms of the contract;

- 7. Performance:

....

- ii. Fail to begin or complete work on the date or within the time period specified in the home improvement contract, or as otherwise represented, unless the delay is for reason of labor stoppage; unavailability of supplies or materials, unavoidable casualties, or any other cause beyond the seller's control. Any changes in the dates or time periods stated in a written contract shall be agreed to in writing;

- iii. Fail to give timely written notice to the buyer of reasons beyond the seller's control for any delay in performance, and when the work will begin or be completed.

....

10. Building Permits:

- (i) No seller contracting for the making of home improvements shall commence work until he is sure that all applicable state or local building and construction permits have been issued as required under state laws or local ordinances; or

....

[N.J.A.C. 13:45A-16.2(a)(6)(v), (7)(ii-iii), (10)(i).]

92. Additionally, the Home Improvement Regulations include a writing requirement for contracts in excess of \$500.00 and provide, in pertinent part:

- (12) Home improvement contract requirements-writing requirement: All home improvement contracts for a purchase price in excess of \$500.00, and all changes in the terms and conditions thereof shall be in writing. Home improvement contracts which are required by this subsection to be in writing, and all changes in the terms and conditions thereof, shall be signed by all parties thereto, and shall clearly and accurately set forth in legible form and in understandable language all terms and conditions of the contract, including, but not limited to, the following:

....

- (ii) A description of the work to be done and the principal products and materials to be used or installed in performance of the contract. The description shall include, where applicable, the name, make, size, capacity, model, and model year of principal products or fixtures to be installed, and the type, grade, quality, size or quantity of principal building or construction materials to be used. Where specific representations are made that certain types of products or materials will be used, or the buyer has specified that certain types of products are to be used, a description of such products or materials shall be clearly set forth in the contract;
- (ii) The total price or other consideration to be paid by the buyer, including all finance charges. If the contract is one for time and materials, the hourly rate for labor and all other terms and

conditions of the contract affecting price shall be clearly stated;

- (iv) The dates or time period on or within which the work is to begin and be completed by the seller;

[N.J.A.C. 13:45A-16.2(a)(12)(ii-iv).]

93. Defendants violated the Home Improvement Regulations by engaging in certain conduct including, but not limited to, the following:

- a. Requesting that a consumer make a final payment before Defendants completed the home elevation and/or home improvement work in accordance with the terms of the HEC/HIC Contract or HIC Contract (N.J.A.C. 13:45A-16.2(a)(6)(v));
- b. Failing to begin and/or complete home improvement work in the time period specified in the HE/HIC Contract or HIC Contract (N.J.A.C. 13:45A-16.2(a)(7)(ii));
- c. Failing to give timely written notice to consumers of reasons, beyond Defendants' control, for any delay in the completion of home improvement and/or home elevation work (N.J.A.C. 13:45A-16.2(a)(7)(iii));
- d. Commencing home improvement and/or home elevation work without obtaining all applicable State and/or local building and construction permits (N.J.A.C. 13:45A-16.2(a)(10)(i));
- e. Failing to include in the HE/HIC Contract or the HIC Contract the principal products and materials to be used or installed in performance of the contract (N.J.A.C. 13:45A-16.2(a)(12)(ii));
- f. Failing to include in the HE/HIC Contract or the HIC Contract a statement of the terms and conditions affecting the price of the contract, including cost of materials and hourly labor rate (N.J.A.C. 13:45A-16.2(a)(12)(iii)); and
- g. Failing to include in the HE/HIC Contract or the HIC Contract the dates or time period on or within which the home elevation work and/or home improvement work is to begin and/or be completed by the seller (N.J.A.C. 13:45A-16.2(a)(12)(iv)).

94. Defendants' conduct constitutes multiple violations of the Home Improvement Regulations, N.J.A.C. 13:45A-16.1 et seq., each of which constitutes a per se violation of the CFA, N.J.S.A. 56:8-1 et seq.

**COUNT V**

**VIOLATION OF THE 4/21/16 CONSENT ORDER  
BY ECO-COASTAL**

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

96. Eco-Coastal has violated the 4/21/16 Consent Order by failing to pay the Settlement Payment of \$1,250.00 and the Suspended Penalty of \$1,250.00.

97. Eco-Coastal has also violated the 4/21/16 Consent Order by continuing to engage in acts and practices in violation of the CFA, the Contractors' Registration Act, the Contractor Registration Regulations, and the Home Improvement Regulations.

98. The 4/21/16 Consent Order provides, in pertinent part, that "[a]ny future violations by [Eco-Coastal] of this Consent Order, the CFA, the Contractors' Registration Act, the Contractor Registration Regulations and/or the Home Improvement Regulations shall constitute a second or succeeding violation pursuant to N.J.S.A. 56:8-13 and that [Defendants] may be liable for enhanced civil penalties."

99. As such, Eco-Coastal's conduct comprises violations of the 4/21/16 Consent Order and second and subsequent violations of the CFA, the Contractors' Registration Act, the Contractor Registration Regulations and/or the Home Improvement Regulations, thus subjecting Eco-Coastal to enhanced civil penalties pursuant to N.J.S.A. 56:8-13.

100. Further, Eco-Coastal is liable for the payment of the outstanding Settlement Payment of \$1,250.00 and the Suspended Penalty of \$1,250.00.

**COUNT VI**

**VIOLATION OF THE CFA, THE CONTRACTORS'  
REGISTRATION ACT, THE CONTRACTOR  
REGISTRATION REGULATIONS AND  
THE HOME IMPROVEMENT REGULATIONS BY SULLIVAN**

101. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 100 above as if more fully set forth herein.

102. At all relevant times, Sullivan has been the owner, President, officer, director, founder, member, manager, representative and/or agent of Eco-Coastal and has controlled, directed and/or participated in the management and operation of that entity, including the conduct alleged in this Complaint.

103. In that capacity, Sullivan, among other things, actively participated in Eco-Coastal's management and operation as follows: (a) executed HE/HIC and HIC Contracts for home improvement and/or home elevation work on behalf of Defendants; (b) supervised the home improvement and/or home elevation work for which consumers contracted with Defendants; (c) met and/or communicated with consumers concerning the contracted-for home improvement and/or home elevation work; and (d) endorsed consumer checks made out to Defendants for contracted-for home improvements and/or home elevations.

104. The conduct of Sullivan makes him personally liable for the violations of the CFA, the Contractors' Registration Act, the Contractor Registration Regulations, the Home Elevation Regulations and the Home Improvement Regulations committed by Eco-Coastal.

## PRAYER FOR RELIEF

WHEREFORE, based upon the foregoing allegations, 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 Contractors' Registration Act, N.J.S.A. 56:8-136 et seq., the Contractor Registration Regulations, N.J.A.C. 13:45A-17.1 et seq., and the Home Improvement Regulations, N.J.A.C. 13:45A-16.1 et seq.;
- b) Permanently enjoining Defendants and their owners, officers, directors, shareholders, founders, members, managers, agents, servants, employees, representatives, independent contractors 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 Contractors' Registration Act, N.J.S.A. 56:8-136 et seq., the Contractor Registration Regulations, N.J.A.C. 13:45A-17.1 et seq., and the Home Improvement Regulations, N.J.A.C. 13:45A-16.1 et seq., including, but not limited to, the acts and practices alleged in this Complaint, as authorized by the CFA, N.J.S.A. 56:8-8;
- c) Permanently enjoining Defendants from owning, operating or otherwise managing any business or other entity in the State, whether registered with the Division or not, that advertises, offers for sale, sells and/or performs home elevations and/or home improvements within the State;
- d) Permanently enjoining Defendants from the advertisement, offer for sale, sale and performance of home improvements, including home elevation, within the State;
- e) Cancelling the Certificate of Formation in the State for Eco-Coastal;
- f) Permanently revoking the HIC registration of Eco-Coastal;
- g) Permanently enjoining Sullivan from managing or owning any business organization within this State and from serving as an officer, director, trustee, member of an executive board or similar governing body, principal, manager, stockholder owning 10% or more of the aggregate outstanding capital stock of all classes of any corporation doing business in this State, as authorized by the CFA, N.J.S.A. 56:8-8;
- h) 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 alleged practice herein to be unlawful and found to be unlawful, as authorized by N.J.S.A. 56:8-8;

- i) Directing Defendants, jointly and severally, to disgorge to the New Jersey Department of Community Affairs, RREM funds unlawfully acquired or retained, as authorized by N.J.S.A. 56:8-8;
- j) Directing Sullivan 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;
- k) Directing Eco-Coastal to pay the maximum statutory civil penalties for each and every violation of the 4/21/16 Consent Order and second and subsequent violations of the CFA, the Contractors' Registration Act, the Contractor Registration Regulations, and the Home Improvement Regulations, in accordance with N.J.S.A. 56:8-19;
- l) Enforcing the 4/21/2016 Consent Order by directing Eco-Coastal to pay the Settlement Payment \$1,250.00 and the Suspended Penalty of \$1,250.00;
- m) Directing Defendants, jointly and severally, to pay costs and fees, including attorneys' fees and costs 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
- n) Granting such other relief as the interests of justice may require.

CHRISTOPHER S. PORRINO  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for Plaintiffs

By: \_\_\_\_\_



Erin M. Greene  
Deputy Attorney General  
Consumer Fraud Prosecution Section

Dated: October 19, 2017  
Newark, New Jersey

**RULE 4:5-1 CERTIFICATION**

I certify, to the best of my information and belief, that the matter in this action involving the aforementioned violations of the CFA, N.J.S.A. 56:8-1 et seq., the Contractors' Registration Act, N.J.S.A. 56:8-136 et seq., the Contractor Registration Regulations, N.J.A.C. 13:45A-17.1 et seq., and the Home Improvement Regulations, N.J.A.C. 13:45A-16.1 et seq. 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 who should be joined in this action at this time.

CHRISTOPHER S. PORRINO  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for Plaintiffs

By: \_\_\_\_\_



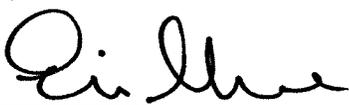
Erin M. Greene  
Deputy Attorney General  
Consumer Fraud Prosecution Section

Dated: October 19, 2017  
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).

CHRISTOPHER S. PORRINO  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for Plaintiffs

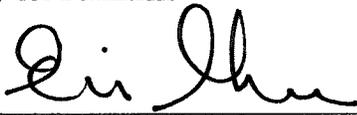
By:   
Erin M. Greene  
Deputy Attorney General  
Consumer Fraud Prosecution Section

Dated: October 19, 2017  
Newark, New Jersey

**DESIGNATION OF TRIAL COUNSEL**

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

CHRISTOPHER S. PORRINO  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for Plaintiffs

By:   
Erin M. Greene  
Deputy Attorney General  
Consumer Fraud Prosecution Section

Dated: October 19, 2017  
Newark, New Jersey