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SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION, UNION COUNTY
DOCKET NO.: UNN-C-

UNN-C- 0 4 8 1 8

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

Plaintiffs,

v.

21st CENTURY AUTO GROUP, INC.;
DMITRY ZELDIN, individually and as
owner, officer, director, founder, manager,
representative and/or agent of 21st CENTURY
AUTO GROUP, INC; JANE AND JOHN
DOES 1-10, individually and as owners,
officers, directors, shareholders, founders,
managers, agents, servants, employees,
representatives and/or independent
contractors of 21st CENTURY AUTO
GROUP, INC.; and XYZ CORPORATIONS
1-10,

Defendants.

Civil Action

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 Kevin R. Jespersen, 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. At all relevant times, 21st Century Auto Group, Inc. (“21st Century”) has been engaged in the advertisement, offer for sale and sale of used motor vehicles in the State of New Jersey (“New Jersey” or “State”) and elsewhere through the internet and at its dealership location. On December 12, 2013, Plaintiffs filed a civil enforcement action Complaint against 21st Century for, among other things, engaging in deceptive practices in the operation of the dealership (“2013 Enforcement Action”). On October 2, 2014, the 2013 Action was settled through the filing of a Final Consent Judgment (“2014 Consent Judgment”). The 2014 Consent Judgment, among other things, set forth extensive business practices and injunctive relief, required 21st Century’s retention of an Independent Compliance Monitor (“Compliance Monitor”), and provided that 21st Century would be subject to enhanced civil penalties for any future violations of the applicable statutes and regulations. The prior settlement terms have failed to deter 21st Century from continuing its deceptive practices and, in fact, its conduct has actually become more egregious.

2. Since the settlement of the 2013 Enforcement Action and to date, the New Jersey Division of Consumer Affairs (“Division”) has received forty-one (41) consumer complaints arising from the conduct of 21st Century and its president, Dmitry Zeldin (“D. Zeldin”)

(collectively, “Defendants”). The consumer complaints, among other things, demonstrate that Defendants continue to fail 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 Used Car Lemon Law, N.J.S.A. 56:8-67 et seq. (“UCLL”), and the Automotive Repair Regulations, N.J.A.C. 13:45A-26.C.1 et seq. (“Automotive Repair Regulations”), by, among other things: (a) continuing to advertise for sale used motor vehicles even after they have been sold; (b) failing to disclose the prior condition of used motor vehicles; (c) conducting credit checks without a consumer’s knowledge or authorization; (d) failing to conspicuously post the total selling price of used motor vehicles; (e) submitting incorrect financial information to a lending institution; (f) failing to honor the terms of a negotiated deal; (g) misrepresenting that certain used motor vehicles advertised and/or offered for sale were covered by a warranty; and (h) advertising, offering for sale and/or selling motor vehicles manufactured for distribution and sale outside of this country and not meeting United States’ safety and emissions standards (“Gray Market Motor Vehicles”). The Attorney General and Director submit this Complaint to halt Defendants’ deceptive business practices, to ensure Defendants’ compliance with the previously negotiated settlement and, most importantly, to prevent additional consumers from sustaining financial and other harm.

PARTIES AND JURISDICTION

3. The Attorney General is charged with the responsibility of enforcing the CFA, the Motor Vehicle Advertising Regulations, the UCLL and the Automotive Repair Regulations. The Director is charged with the responsibility of administering the CFA, the Motor Vehicle

Advertising Regulations, the UCLL and the Automotive Repair Regulations on behalf of the Attorney General.

4. By this action, Plaintiffs seek injunctive and other relief for violations of the CFA, the Motor Vehicle Advertising Regulations, the UCLL and the Automotive Repair 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 Union County, pursuant to R. 4:3-2, because it is a county in which Defendants have advertised and/or conducted business and maintained a principal place of business.

5. 21st Century is a Domestic For-Profit Corporation established in the State of New Jersey ("New Jersey" or "State") on March 31, 1999. At all relevant times, 21st Century has maintained a principal business address of 305 Route 22 East, Springfield, New Jersey 07081.

6. The registered agent in the State for 21st Century is D. Zeldin, who maintains a registered office address of 305 Route 22 East, Springfield, New Jersey 07081.

7. At all relevant times, D. Zeldin has been the president of 21st Century and has formulated, directed, controlled and/or participated in 21st Century's management and operations.

8. Upon information and belief, John and Jane Does 1 through 10 are fictitious individuals meant to represent the owners, officers, directors, shareholders, founders, managers, agents, servants, employees, representatives and/or independent contractors of 21st Century 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.

9. 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:

10. Upon information and belief, since at least March 1999, Defendants have operated a motor vehicle dealership in New Jersey and have engaged in the retail sale of used motor vehicles, which include luxury vehicles such as Mercedes-Benz, BMW, Cadillac and Maserati.

11. At all relevant times, Defendants maintained a website at www.21stcenturyautogroup.com ("21st Century Website").

12. Defendants advertise and otherwise offer for sale used motor vehicles to consumers in this State and elsewhere through various media including, but not limited to, the 21st Century Website, newspapers and other print advertisements.

13. At all relevant times, Defendants have accepted trade-in vehicles from consumers as part of sales transactions.

B. 2013 Enforcement Action and 2014 Consent Judgment:

14. On December 12, 2013, Plaintiffs filed the 2013 Enforcement Action in this Court against 21st Century alleging, among other things, violations of the CFA, the Motor Vehicle Advertising Regulations, the UCLL, and the Used Car Lemon Law Regulations, N.J.A.C. 13:45A-26F.i et seq.

15. The allegations in the 2013 Action included: (a) advertising and/or offering for sale used motor vehicles that did not include a conspicuously posted total selling price ; (b) representing to consumers that used motor vehicles were available for sale when, in fact, they had already been sold; (c) failing to honor the negotiated price of a used motor vehicle; and (d) failing to issue the warranties required under the UCLL.

16. The 2014 Consent Judgment, which was signed by D. Zeldin on behalf of 21st Century, contained extensive business practices and injunctive relief concerning the operation of the dealership, and provided for the retention of a Compliance Monitor for one (1) year, and a settlement payment of \$130,000.00. In the 2014 Consent Judgment, 21st Century agreed that any future violations of the injunctive provisions, the CFA, the Motor Vehicle Advertising Regulations and/or the UCLL would constitute second and succeeding violations pursuant to the CFA, specifically N.J.S.A. 56:8-13, subjecting 21st Century to enhanced civil penalties.

17. On August 2, 2016, an Amendment to the 2014 Consent Judgment was filed by this Court (“2016 Amended Judgment”). By the 2016 Amended Judgment, 21st Century was enjoined from advertising, offering for sale and/or selling Gray Market Motor Vehicles and was required to make an additional settlement payment of \$25,000.00 and the term of the Compliance Monitor was extended for an additional six (6) month period .

C. Defendants’ Continuation of Unlawful Business Practices

18. Since the filing of the 2014 Consent Judgment, the Division has received an additional forty-one (41) consumer complaints against 21st Century (“Additional Consumer Complaints”). Based upon the Additional Consumer Complaints and supporting documents, as well as the 21st Century Website, the Defendants have continued to operate their dealership in

violation of the CFA, the Motor Vehicle Advertising Regulations, the UCLL and the Automotive Repair Regulations.

19. At varying times, Defendants have advertised and/or offered for sale used motor vehicles through the 21st Century Website without disclosing the total selling price.

20. Defendants have advertised used motor vehicles at a price based upon rebates that could not all be available to any one person.

21. Defendants have advertised used motor vehicles on the 21st Century Website at a price much lower than the posted price on the used motor vehicle at Defendants' dealership location.

22. Defendants have continued to advertise, whether through the 21st Century Website or otherwise, and/or offer for sale used motor vehicles after the vehicles had been sold.

23. At varying times, the 21st Century Website has failed to include the statement that "price(s) include(s) all costs to be paid by the consumer, except for licensing costs, registration fees, and taxes."

24. At varying times, Defendants have represented to consumers that advertised used motor vehicles were available for sale when, in fact, the vehicles had already been sold.

25. Defendants have failed to honor the advertised prices of used motor vehicles by, among other things, charging an undisclosed \$3,500 dealer fee.

26. At varying times, Defendants have required consumers to provide cash down payments, and then failed to apply such monies to the down payments for the used motor vehicles.

27. In at least two (2) instances, Defendants identified a co-signer as the purchaser on financing documents, without the co-signer's knowledge or authorization.

28. In at least one (1) instance, Defendants failed to disclose to a consumer prior to sale that a used motor vehicle had sustained major flood damage.

29. In at least one (1) instance, Defendants misrepresented, though the 21st Century Website and otherwise, the dealer-installed options on a used motor vehicle.

30. Defendants have failed to honor the negotiated prices of used motor vehicles (e.g., consumer agreed to a \$28,500 purchase price for a used motor vehicle but the finance agreement reflected a purchase price of \$32,000).

31. Defendants have submitted false information to a lender for purposes of obtaining financing approval for a proposed motor vehicle sale (e.g. consumer's salary was \$39,143, but Defendants stated on the credit application that her salary was \$78,000).

32. In at least one (1) instance, Defendants overcharged a consumer an additional \$2,450.00 to purchase a vehicle and deceptively termed it a "bank fee."

33. At varying times, Defendants have inflated the advertised price of a used motor vehicle by charging consumers a "dealer processing fee" (e.g. \$2,495.00).

34. At varying times, Defendants have charged consumers a "dealer processing fee" which is neither itemized in the sales documents nor otherwise disclosed to consumers.

35. In at least one (1) instance, Defendants conducted credit checks without a consumer's knowledge or authorization.

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

37. Defendants have failed to provide consumers with license plates, title and registration to used motor vehicles prior to the expiration of temporary title and/or registration.

38. At varying times and as part of a negotiated deal, Defendants have represented that they will make certain repairs to a used motor vehicle and then, after the sale is consummated, have failed to do so.

39. Defendants have failed to provide consumers with copies of invoices for motor vehicle repairs.

40. Defendants have failed to refund monies paid by consumers within thirty-six (36) hours after the consumers' sales transactions have been cancelled, as required by the 2014 Consent Judgment.

41. Defendants have failed to refund monies paid by consumers after they cancelled the sales transaction.

42. Defendants have failed to pay off a trade-in motor vehicle in a timely manner.

43. In at least one (1) instance, Defendants cancelled a sales transaction due to the consumer's failure to obtain financing, but then misrepresented that the consumer's trade-in vehicle had already been sold.

44. Defendants have misrepresented that used motor vehicles came with warranties.

45. In at least one (1) instance, Defendants represented that a warranty is "bumper to bumper," when such is not the case.

46. At varying times, Defendants have required that consumers sign a waiver of their existing UCLL rights.

47. Defendants have sold used motor vehicles without providing the requisite written warranties.

48. Defendants have provided written warranties and then charged consumers for repairs which should have been covered under the warranties.

49. At varying times, Defendants have failed to disclose that advertised used motor vehicles were previously damaged and were subjected to substantial repair and body work.

50. At least as of April 2, 2018, Defendants advertised, offered for sale and/or sold Gray Market Motor Vehicles.

51. Defendants have advertised, offered for sale and/or sold Gray Market Motor Vehicles without disclosing to consumers the incompatibility or non-conformity of those vehicles with relevant domestic safety and emissions standards.

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

COUNT I

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

53. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 52 above as if more fully set forth herein.

54. 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 . . .

55. 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).

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

57. 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.

58. 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, offering for sale and/or selling Gray Market Motor Vehicles;
- b. Advertising and offering for sale used motor vehicles through the 21st Century Website without disclosing the total selling price;
- c. Advertising used motor vehicles at a price based upon rebates that could not be available to any one person;
- d. Advertising used motor vehicles on the 21st Century Website at a price that is much lower than the price posted on the vehicle at the dealership location;
- e. Continuing to advertise and/or offer for sale used motor vehicles after the vehicles have been sold;
- f. Failing to honor the advertised sales price of a used motor vehicle by, among other things, charging an undisclosed \$3,500 dealer fee;
- g. Requiring consumers to provide cash down payments, and then failing to apply such monies to the down payments for the used motor vehicles;
- h. Identifying a co-signer as the purchaser on financing documents, without the co-signer’s knowledge or authorization;

- i. Failing to honor the negotiated prices of used motor vehicles;
- j. Submitting false information to a lender about a consumer for purposes of getting financing approval for a proposed motor vehicle sale;
- k. Overcharging a consumer by \$2,450.00 for a non-existent "bank fee" ;
- l. Inflating the advertised price of used motor vehicles by charging consumers a "dealer processing fee" (e.g. \$2,495.00);
- m. Charging consumers a "dealer processing fee" which is neither itemized in the sales documents nor otherwise disclosed to consumers;
- n. Conducting credit checks without a consumer's knowledge or authorization;
- o. Failing to provide consumers with complete copies of signed sales documents, including financing agreements;
- p. Failing to provide consumers with motor vehicle license plates, title and registration prior to the expiration of temporary title and/or registration;
- q. Failing to refund monies paid by consumers within thirty-six (36) hours after the cancellation of the sales transactions, in violation of the 2014 Consent Judgment;
- r. Failing to refund monies paid by consumers after they cancelled the sales transaction;
- s. Failing to pay off a trade-in motor vehicle in a timely manner;
- t. Requiring consumers to sign a waiver of their existing UCLL rights;
- u. Selling used motor vehicles without providing the requisite written warranties;
- v. Charging consumers for repairs that should have been covered by warranties; and
- w. Failing to respond to consumer inquiries as to, among other things, when license plates would be available;

59. 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 FACT)

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

61. Defendants' conduct in violation of the CFA includes, but is not limited to, the following misrepresentations:

- a. Misrepresenting the price of used motor vehicles on the 21st Century Website;
- b. Representing on the 21st Century Website, or otherwise, that used motor vehicles are available for sale, when such was not the case;
- c. Misrepresenting, through the 21st Century Website, or otherwise, the dealer-installed options on a used motor vehicle;
- d. Representing that, as part of a negotiated deal, they will make certain repairs to a used motor vehicle and then, after the sale is consummated, failing to do so;
- e. Representing that a consumer's trade-in vehicle had already been sold, when such was not the case;
- f. Misrepresenting that used motor vehicles had warranty protection; and
- g. Representing that a warranty is "bumper to bumper," when such is not the case.

62. Defendants' conduct in violation of the CFA includes, but is not limited to, the following knowing omissions of material fact:

- a. Advertising used motor vehicles without disclosing that they were previously damaged and/or required substantial repair and body work;

- b. Failing to disclose to consumers prior to purchase any prior damage to used motor vehicles advertised and/or offered for sale;
- c. Failing to disclose to a consumer prior to purchase that a used motor vehicle had sustained major flood damage;
- d. Advertising Gray Market Motor Vehicles without disclosing the incompatibility or non-conformity of those vehicles with relevant United States safety and emissions standards; and
- e. Failing to disclose to consumers prior to purchase that they were purchasing Gray Market Motor Vehicles.

63. 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 AND MOTOR VEHICLE ADVERTISING REGULATIONS BY DEFENDANTS (BAIT AND SWITCH)

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

65. The CFA and the Motor Vehicle Advertising Regulations prohibit the advertisement of a motor vehicle as part of a plan or scheme not to sell the motor vehicle or not to sell the motor vehicle at the advertised price. N.J.S.A. 56:8-2, N.J.S.A. 56:8-2.2, N.J.A.C. 13:45A-26A.4 and N.J.A.C. 13:45A-26A.10. This practice is commonly known as “bait and switch.”

66. Defendants have engaged in unlawful “bait and switch” conduct through a plan or scheme by which they advertise a motor vehicle with a low sales price and then refuse to sell that motor vehicle at the advertised price.

67. By way of illustration and not by way of limitation, these unlawful acts have included the following:

- a. Selling a used motor vehicle at a price greater than the advertised price;
- b. Falsely informing a consumer that an advertised used motor vehicle was available for sale, when, in fact, the vehicle had already been sold resulting in a switch to another vehicle; and
- c. Continuing to advertise a used motor vehicle for sale after it had actually been sold.

68. Each instance where Defendants advertised a used motor vehicle as part of a plan or scheme not to sell or lease the motor vehicle at the advertised price constitutes a separate violation of the CFA, N.J.S.A., 56:8-2 and N.J.S.A. 56:8-2.2, as well as the Motor Vehicle Advertising Regulations, N.J.A.C. 13:45A-26A.10 and N.J.A.C. 13:45A-26A.4(a)(1), each of which constitutes a per se violation of the CFA.

COUNT IV

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

69. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 68 above as if more fully set forth at length herein.

70. The CFA requires that persons offering merchandise for sale display the 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.]

71. In the operation of their dealership, Defendants have repeatedly offered for sale and/or sold used motor vehicles without labeling or displaying the total selling price.

72. Each instance and each day where Defendants offered for sale and/or sold 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 V

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

73. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 72 above as if more fully set forth herein.

74. 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.]

75. At all relevant times, Defendants have failed to provide consumers with complete copies of sales documents.

76. 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 VI

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

77. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 76 above as if more fully set forth at length herein.

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

79. First,, the Motor Vehicle Advertising Regulations prohibit certain advertising practices and 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.]

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

7. 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]

81. 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 damaged and were subjected to substantial repair and body work; and
- b. In their advertisement of used motor vehicles on the 21st Century 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."

82. Defendants' conduct constitutes multiple violations of the Motor Vehicle Advertising Regulations, N.J.A.C. 13:45A-26A.5(b)2, and N.J.A.C. 13:45A-26A.7(a)7, 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

83. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 82 above as if more fully set forth herein.

84. 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 misrepresent the mechanical condition of a used motor vehicle;

- b. 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;

...

- e. To misrepresent the terms of any written warranty ... currently in effect on a used motor vehicle provided by a person other than the dealer, and subject to transfer to a consumer;

...

- h. To represent, prior to sale, that a used motor vehicle is sold with a warranty ... when the vehicle is sold without any warranty ...;
- i. To fail to disclose prior to sale, that a used motor vehicle is sold without any warranty ...;

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

85. Defendants violated the UCLL by engaging in conduct including, but not limited to, the following:

- a. Misrepresenting to consumers prior to purchase that used motor vehicles offered for sale were covered by warranties, when such was not the case;
- b. Selling used motor vehicles without including the required written warranties; and
- c. Failing to disclose to consumers prior to purchase that a “gray market motor vehicle” was not covered by a manufacturer express written warranty that is valid in the United States.

86. Each instance of Defendants misrepresenting the mechanical condition of a used motor vehicle or that a used motor vehicle was sold with a warranty or failing to include the required written warranty constitutes a separate violation of the UCLL, N.J.S.A. 56:8-68.

COUNT VIII

VIOLATION OF THE AUTOMOTIVE REPAIR REGULATIONS BY DEFENDANTS

87. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 86 above as if more fully set forth herein.

88. The Automotive Repair Regulations, N.J.A.C. 13:45A-26C.1 et seq., promulgated pursuant to the CFA govern the repair of motor vehicles.

89. At all relevant times, 21st Century has been an “automotive repair dealer” engaged in the “repair of motor vehicles” pursuant to N.J.S.A. 13:45A-26C.1.

90. The Automotive Repair Regulations provide, in pertinent part, that it shall be an unlawful practice for an automotive repair dealer to engage in the following conduct:

Failing to record on an invoice all repair work performed by an automotive repair dealer for a customer, itemizing separately the charges for parts and labor, and clearly stating whether any new, rebuilt, reconditioned or used parts have been supplied. A legible copy shall be given to the customer.

[N.J.A.C. 13:45A-26C.2(a)(8)]

91. In their repair of motor vehicles, Defendants have engaged in conduct in violation of the Automotive Repair Regulations including, but not limited, to: failing to record on an invoice all repair work done for a consumer and failing to give a copy of such an invoice to a consumer.

92. Each violation of the Automotive Repair Regulations by Defendants constitutes a per se violation of the CFA, N.J.S.A. 56:8-2.

COUNT IX

**VIOLATION OF THE 2014 CONSENT JUDGMENT
BY 21st CENTURY**

93. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 92 above as if more fully set forth herein.

94. Pursuant to the terms of the 2014 Consent Judgment, 21st Century agreed to comply with the CFA, the Motor Vehicle Advertising Regulations and the UCLL.

95. The 2014 Consent Judgment provides, in pertinent part, that “any future violations of the injunctive provisions of this Consent Judgment, the CFA, the Motor Vehicle Advertising Regulations [and/or] the UCLL . . . shall constitute a second and succeeding violation pursuant to N.J.S.A. 56:8-13, and that [21st Century] may be liable for enhanced civil penalties.”

96. As set forth herein, 21st Century’s conduct comprises violations of the 2014 Consent Judgment resulting in second and subsequent violations of the CFA, the Motor Vehicle Advertising Regulations and/or the UCLL, and subjects 21st Century to enhanced civil penalties pursuant to N.J.S.A. 56:8-13.

COUNT X

**VIOLATION OF THE CFA, THE MOTOR VEHICLE ADVERTISING
REGULATIONS, THE UCLL, THE AUTOMOTIVE REPAIR REGULATIONS
AND THE 2014 CONSENT JUDGMENT BY D. ZELDIN**

97. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 96 above as if more fully set forth herein.

98. At all relevant times, D. Zeldin has been the owner, operator, president and/or principal of 21st Century and has formulated, directed, controlled and/or participated in its management and operation including the conduct alleged in this Complaint.

99. D. Zeldin's conduct makes him personally liable for the violations of CFA, the Motor Vehicle Advertising Regulations, the UCLL the Automotive Repair Regulations and the 2014 Consent Judgment committed by 21st Century.

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 UCLL, N.J.S.A. 56:8-80, and the Automotive Repair Regulations, N.J.A.C. 13:45A-26.C.1 et seq.;
- (b) Permanently enjoining Defendants and their owners, officers, directors, shareholders, founders, 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 UCLL, N.J.S.A. 56:8-80, and the Automotive Repair Regulations, N.J.A.C. 13:45A-26.C.1 et seq., including, but not limited to, the acts and practices alleged in the Complaint;
- (c) Permanently enjoining 21st Century from advertising, offering for sale and/or selling used motor vehicles and directing that its business operations be terminated and its business premises be closed, as authorized by the CFA, N.J.S.A. 56:8-8;
- (d) Vacating the corporate charter of 21st Century, as authorized by the CFA, N.J.S.A. 56:8-8;
- (e) Permanently enjoining D. Zeldin from owning, managing and/or operating any business that advertises, offers for sale and/or sells new or used motor vehicles in the State of New Jersey or to persons in the State of New Jersey, as authorized by the CFA, N.J.S.A. 56:8-8;
- (f) Directing the 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;

- (g) 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;
- (h) Directing 21st Century to pay the maximum statutory civil penalties for each and every violation of the 2014 Consent Judgment and second and subsequent violations of the CFA, the Motor Vehicle Advertising Regulations and/or the UCLL, 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
Jeffrey Koziar
Deputy Attorney General
Consumer Fraud Prosecution Section

Dated: April 16, 2018
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 UCLL and the Automotive Repair 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
Jeffrey Koziar
Deputy Attorney General
Consumer Fraud Prosecution Section

Dated: April 16, 2018
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
Jeffrey Koziar
Deputy Attorney General
Consumer Fraud Prosecution Section

Dated: April 16, 2018
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
Jeffrey Koziar
Deputy Attorney General
Consumer Fraud Prosecution Section

Dated: April 16, 2018
Newark, New Jersey