

2. Defendants shall file an answer to the Commonwealth of Pennsylvania's Motion within twenty (20) days of the date of this Rule to Show Case;

3. The Motion shall be decided under Pa.R.C.P. No. 206.7; and

4. If requested by any of the parties, an evidentiary hearing on disputed issues of material fact shall be held on _____, 20____, at _____am/pm in Courtroom No. _____ of the Cumberland County Courthouse, 1 Courthouse Square, Carlisle, Pennsylvania 17013.

BY THE COURT:

Jessica E. Brewbaker, J.

Parties to be notified:

Counsel for Plaintiff:

Juan P. Sánchez
Senior Deputy Attorney General
PA Attorney ID #206839
Office of Attorney General
Bureau of Consumer Protection
15th Floor, Strawberry Square
Harrisburg, PA 17120
Telephone: (717) 787-9707

Defendants:

John M. Glace, Esquire
1 East Main Street
Shiremanstown, PA 17011
jmglace@aol.com

**IN THE COURT OF COMMON PLEAS OF
CUMBERLAND COUNTY, PENNSYLVANIA
CIVIL ACTION**

COMMONWEALTH OF PENNSYLVANIA, :
OFFICE OF ATTORNEY GENERAL :

Plaintiff,

v.

NEW KINGSTOWN AUTO, LLC

and

**HARRY D. LAUGHMAN, Individually and as
Sole Owner of New Kingstown Auto, LLC**

and

DANA L. (BLOSSER) SAN, Individually

Defendants.

Case No.: 2016-04311

ORDER

AND NOW, this _____ day of _____, 20____, upon consideration of the motion of the Commonwealth of Pennsylvania, by Attorney General Josh Shapiro (hereinafter “Commonwealth” and/or “Movant”), for contempt against Defendants, New Kingstown Auto, LLC and Harry D. Laughman (individually and as sole owner of New Kingstown Auto, LLC) (collectively hereinafter the “Defendants”), for failing to comply with the Order of this Court entered on May 15, 2019 entering as an Order and Final Decree the Consent Petition of the parties filed on May 13, 2019 (hereinafter “2019 Order”), and any response thereto, **IT IS HEREBY ORDERED and DECREED** that:

1. Defendants have violated the terms of the 2019 Order;

2. The Commonwealth's motion is GRANTED, and Defendants are hereby found to be in contempt of Court for failure to comply with the 2019 Order;

3. Judgment is hereby entered against Defendants and Defendants shall be liable for and shall pay within thirty (30) days of the date of this Order the following monetary relief provided in the 2019 Order in the amount of Eighty-One Thousand Six Hundred Seventeen and 29/100 Dollars (\$81,617.29):

- a. suspended civil penalties in the amount of Thirty-One Thousand and 0/100 Dollars (\$31,000.00);
- b. costs in the amount of Twenty-Five Thousand and 0/100 Dollars (\$25,000.00);
- c. the balance of restitution to consumers in the amount of Nineteen Thousand Three Hundred Sixty-Seven and 29/100 Dollars (\$19,367.29); and
- d. additional restitution to those consumers filing claims after the 2019 Order was filed for conduct occurring prior to the 2019 Order that the Commonwealth determined in its discretion are substantiated claims in the amount of Six Thousand Two Hundred Fifty and 0/100 Dollars (\$6,250.00);

4. Judgment is hereby entered against Defendants and Defendants shall be liable for and shall pay to the Commonwealth an additional civil penalty in the amount of Five Thousand and 00/100 Dollars (\$5,000.00) for such violations of the Order within thirty (30) days of the date of this Order;

5. Judgment is hereby entered against Defendants and Defendants shall be liable for and shall pay to the Commonwealth additional restitution for the Lancaster County consumer identified in the Commonwealth's Motion for Contempt, if such restitution has not already been satisfied, in the amount of One Thousand Four Hundred Thirty-Five and 23/100 Dollars (\$1,435.23), to be paid to the Commonwealth within thirty (30) days of the date of the 2019 Order;

6. Defendants shall be liable for and shall pay to the Commonwealth attorney fees and costs based upon their failure to comply with the 2019 Order, and the Commonwealth shall file with this Court for the Court's consideration a bill of costs within sixty (60) days of this Order;

7. **FORFEITURE OF RIGHT TO ENGAGE IN AUTO BUSINESS:** Defendants, including their agents, successors, assigns and employees, acting directly, indirectly or through any corporate device, are permanently enjoined and shall immediately cease and desist from engaging in trade and commerce within the Commonwealth of Pennsylvania involving the sale or lease of motor vehicles, including, but not limited to, as an owner, shareholder, manager or employee of any business selling or leasing motor vehicles. To effectuate such forfeiture Defendants shall:

- a. within forty-five (45) days from the date of this Order, provide actual, written notice to all of Defendants' customers from June 1, 2014 until the date of this Order (the "Customers"), that the Defendants can no longer engage in the automotive business;
- b. within ninety (90) days from that Date of this Order, take all actions necessary to undo all current transactions and make the Customers whole, including without limitation, returning all monies paid toward all pending agreements as well as transfer physical possession and ownership of all motor vehicles over to the Customers and shall immediately thereafter provide a list of all of the Customers and written proof that Defendants have satisfied all requirements stated herein to the satisfaction and in the discretion of the Office of Attorney General;
- c. cease practicing as a vehicle salesperson in the Commonwealth of Pennsylvania on and after the effective date of this Order, and shall not in any way represent or indicate to any consumer that they are authorized in any way to sell or lease motor vehicles in the Commonwealth of Pennsylvania in any manner whatsoever in the future;
- d. immediately, permanently and voluntarily surrender of any Vehicle Salesperson License to the Pennsylvania State Board of Vehicle Manufacturers, Dealers and Salesperson;

- e. immediately, permanently and voluntarily surrender of any Vehicle Dealer License to the Pennsylvania State Board of Vehicle Manufactures, Dealers and Sales Person;
 - f. not apply to the Pennsylvania State Board of Vehicle Manufactures, Dealers and Salespersons, at any time in the future, for the reactivation, re-instatement reissuance, or the issuance of any license or authorization to practice as a Vehicle Salesperson or Vehicle Dealer;
 - g. not work as an unlicensed assistant, consultant, advisor, subcontractor, agent or employee to any person or entity that holds a Vehicle Salesperson or Vehicle Dealer license in the Commonwealth of Pennsylvania which is related in any way to the sale or lease of motor vehicles;
 - h. not possess a controlling interest in any organization that sells motor vehicles in the Commonwealth of Pennsylvania; a controlling interest shall include being an owner, officer, manager, director, partner, member, or associate as well as owning any quality of outstanding corporate stock sufficient to control or direct actions of the organization; and
 - i. immediately dissolve New Kingstown Auto, LLC with the Pennsylvania Department of State, Bureau of Corporations and Charitable Organizations: Corporations Section and may not continue to operate and conduct business in the Commonwealth through New Kingstown Auto, LLC.
8. Upon failure to comply with any of these terms, a bench warrant shall be issued immediately for the arrest of Defendant Laughman and Defendant Laughman shall be incarcerated until he has purged himself of his contempt to the satisfaction of this Court;
9. This Court shall maintain jurisdiction over the subject matter of this action and over the Defendants for purpose of enforcing the terms of the 2019 Order; and
10. All provisions of the 2019 Order remain in full force and effect.

BY THE COURT:

Jessica E. Brewbaker, J.

Parties to be notified:

Counsel for Plaintiff:

Juan P. Sánchez
Senior Deputy Attorney General
PA Attorney ID #206839
Office of Attorney General
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15th Floor, Strawberry Square
Harrisburg, PA 17120
Telephone: (717) 787-9707

Defendants:

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**IN THE COURT OF COMMON PLEAS OF
CUMBERLAND COUNTY, PENNSYLVANIA
CIVIL ACTION**

COMMONWEALTH OF PENNSYLVANIA, :
OFFICE OF ATTORNEY GENERAL :

Plaintiff, :

v. :

NEW KINGSTOWN AUTO, LLC :

and :

HARRY D. LAUGHMAN, Individually and as :
Sole Owner of New Kingstown Auto, LLC :

and :

DANA L. (BLOSSER) SAN, Individually :

Defendants. :

Case No.: 2016-04311

**COMMONWEALTH'S MOTION FOR CONTEMPT FOR DEFENDANTS' FAILURE
TO COMPLY WITH THE COURT ORDER DATED MAY 15, 2019**

AND NOW, comes the Commonwealth of Pennsylvania, by Attorney General Josh Shapiro (hereinafter "Commonwealth" and/or "Movant"), pursuant to Sections 201-8(a) and 201-9 of the Pennsylvania *Unfair Trade Practices and Consumer Protection Law*, 73 P.S. §§ 201-1, *et seq.* (hereinafter the "Consumer Protection Law") and moves for contempt against

Defendants, New Kingstown Auto, LLC and Harry D. Laughman (individually and as sole owner of New Kingstown Auto, LLC) (collectively hereinafter the "Defendants"), for failing to comply with the Order of this Court entered on May 15, 2019 (hereinafter "2019 Order") and the Consent Petition for Final Decree dated and filed with this Honorable Court on May 13, 2019 (hereinafter the "Consent Petition"). In support thereof, the Commonwealth avers the following:

THE PARTIES

1. Movant is the Commonwealth of Pennsylvania, by Attorney General Josh Shapiro, with offices located at Strawberry Square, 15th Floor, Harrisburg, PA 17120.

2. Defendant New Kingstown Auto, LLC (hereinafter "Defendant New Kingstown Auto") is a for-profit Pennsylvania Limited Liability Corporation which operates a motor vehicle dealership at 1168 West Trindle Road, Mechanicsburg, Pennsylvania 17055.

3. Defendant Harry D. Laughman (hereinafter "Defendant Laughman") is an adult individual residing at 12 Oakridge Road, Carlisle, Pennsylvania 17072, and is the sole member and owner of Defendant New Kingstown Auto.

4. At all relevant times hereto, Defendants have engaged in trade and commerce within the Commonwealth of Pennsylvania as a motor vehicle salesman and a motor vehicle dealership.

5. Defendant New Kingstown Auto is a licensed motor vehicle dealer and was issued license number VD031002, which is set to expire on May 31, 2021.

6. Defendant Laughman is a licensed motor vehicle salesperson and was issued license number MV 112389L, which is set to expire on May 31, 2021.

7. Defendant Laughman is the only licensed sales person and the only person otherwise lawfully permitted to sell vehicles on behalf of Defendants New Kingstown Auto.

8. At all relevant times hereto, Defendants do not have a license to submit Pennsylvania sales tax to the Pennsylvania Department of Revenue.

9. At all relevant times hereto, Defendants do not have an installment seller license issued by the Pennsylvania Department of Banking and Securities.

10. Complying with Rule 208.3(a)(9) of the Cumberland County Local Rules of Civil Procedure, the Commonwealth sought the concurrence of counsel of record for Defendants and Defendants contest this motion.

BACKGROUND AND CURRENT REQUEST

11. On July 28, 2016, the Commonwealth filed the above-captioned, five (5) count civil action in equity against Defendants in the Cumberland County Court of Common Pleas, alleging that Defendants willfully violated, *inter alia*, the Consumer Protection Law and sought to restrain by permanent injunction unfair or deceptive acts or practices in the conduct of trade or commerce declared unlawful by Section 201-3 of the Consumer Protection Law, as more fully set forth in the Complaint which is incorporated herein by reference pursuant to Rule 1019(g) of the Pennsylvania Rules of Civil Procedure.

12. On May 13, 2019, the Commonwealth and the Defendants executed and filed with this Honorable Court the Consent Petition arising out of Defendants' violations of the Consumer Protection Law in the manner set forth in the Complaint by, among other things, violating the *Automotive Industry Trade Practices*, 37 Pa. Code §§ 301.1, *et seq.* ("Auto Regulations"), the *Board of Vehicles Act*, 63 P.S. §§ 818.1, *et seq.* ("Board of Vehicles Act"), the *Vehicle Code*, 75 P.S. §§ 101, *et seq.* ("Vehicle Code"), the *Truth in Lending Act*, 12 C.F.R. §§ 213.1, *et seq.* ("Regulation M"), and the *Consumer Credit Code*, 12 Pa. C.S.A. §§ 6201, *et seq.* ("Consumer Credit Code").

13. On May 15, 2019, the Honorable Jessica E. Brewbaker entered the 2019 Order, which made the Consent Petition an Order and Final Decree of this Honorable Court. A true and correct copy of the 2019 Order with attached Consent Petition is attached hereto as Exhibit "A."

14. Immediately thereafter, Defendants disregarded the 2019 Order by continuing their unlawful conduct and by failing to satisfy their monetary obligation as stated and in violation of the 2019 Order and underlying Consent Petition.

15. Disobedience of any valid Order of the Court may constitute contempt. *Commonwealth v. Long*, 533 Pa. 388, 625 A.2d 630 (1993). The Court has the inherent power to punish for contempt as a right incidental to a grant of judicial power under the Constitution. *See Colbert v. Gunning*, 368 Pa. Super. 28, 553 A.2d 471 (1987).

16. Civil contempt is appropriate when "(1) the contemnor had notice of the specific order or decree that he disobeyed; (2) the act constituting the violation was volitional; and (3) the contemnor acted with wrongful intent." *Gunther v. Bolus*, 853 A.2d 1014, 1017 (Pa. Super. 2004). To be held in civil contempt, a party must have willfully violated a court order. *Lachat v. Hinchcliffe*, 769 A.2d 481, 488-89 (Pa. Super. 2001) (stating that a mere showing of non-compliance with a court order is insufficient to prove civil contempt).

17. Defendants have notice of their obligations under the 2019 Order and underlying Consent Petition as they agreed to and executed the Consent Petition.

18. Defendants were represented by their current legal counsel at the time of agreeing to execute the Consent Petition.

19. Defendants are in contempt of the 2019 Order, the terms of which constitute an Order within the meaning of Sections 201-8 and 201-9 of the Consumer Protection Law.

VIOLATIONS OF CONSENT PETITION – CONTINUED UNLAWFUL OPERATION

20. Defendants continued to willfully breach the terms of the Consent Petition and 2019 Order by repeating the same prohibited business practices, as well as new unlawful conduct, that they explicitly agreed to cease and desist in the Consent Petition and which otherwise violate the Auto Regulations, TILA, BVA, MVC, Consumer Credit Code and Consumer Protection Law.

21. The 2019 Order was entered as a final order of judgment in favor of the Commonwealth and against the Defendants, the terms of which constitute an Order within the meaning of Sections 201-8 and 201-9 of the Consumer Protection Law, and provides, *inter alia*, the following relief:

- a. Defendants shall comply with any and all provisions of the Consumer Protection Law and any amendments thereto; and, are permanently enjoined from any violation thereof;
- b. Defendants shall comply with any and all provisions of the Auto Regulations and any amendments thereto; and, are permanently enjoined from any violation thereof;
- c. Defendants shall properly advertise their business name and address, or the word "dealer," in all advertisements;
- d. Defendants shall not misrepresent the characteristics or standards of the goods or services offered for sale within their advertisements or sales presentations;
- e. Defendants shall comply with any and all provisions of the BVA and any amendments thereto; and, are permanently enjoined from any violation thereof;
- f. Defendant San shall not engage in the business of selling motor vehicles without an appropriate license from the State Board of Vehicle Manufacturers, Dealers, and Salespersons;
- g. Defendant New Kingstown Auto and Defendant Laughman shall not permit unlicensed sales activity;
- h. Defendants shall comply with any and all provisions of the Vehicle Code and any amendments thereto; and, are permanently enjoined from any violation thereof;
- i. Defendants shall no longer directly provide title or registration transfers but shall be responsible and liable for ensuring that all money submitted and forms signed by a consumer, such as title and registration fees and paperwork, are forwarded to PennDOT within twenty days from the date of sale as prescribed by the Vehicle

Code. If Defendants use a third party for such paperwork, Defendants shall turn over all requisite consumer information or documents to the third party no later than one (1) business day after a consumer purchase;

- j. Defendants shall comply with any and all provisions of Regulation M and any amendments thereto; and, are permanently enjoined from any violation thereof;
- k. Defendants shall be permitted to offer customers Rent to Own agreement(s) but must fully comply with any requisite laws and regulations pertaining thereto;
- l. Defendants shall comply with any and all provisions of the Consumer Credit Code and any amendments thereto; and, are permanently enjoined from any violation thereof; and
- m. Defendants shall no longer accept installment payments for vehicles unless Defendants obtain an installment seller license issued by the Department of Banking and Securities and provide consumers with an installment sale contract that complies with the requirements of the Consumer Credit Code.

See Exhibit A, pp. 7-8 at ¶ II.a-m.

22. The Commonwealth received information, including additional consumer complaints against the Defendants, evidencing that, prior to the 2019 Order, the Defendants engaged in the following conduct in violation of, *inter alia*, the Auto Regulations, TILA, BVA, MVC, Consumer Credit Code and Consumer Protection Law.

- a. On September 12, 2018, criminal charges were filed and are pending against Defendant Laughman for misdemeanor violation of Section 7122 of the MVC, arising out of an allegation that Defendant Laughman altered, forged or counterfeit documents and plates. Defendant Laughman had a pre-trial conference in the Court of Common Pleas on November 21, 2019, *Commonwealth v. Laughman*, Cumberland County Court of Common Pleas Docket No. 21-CR-0000883-2019;
- b. On March 27, 2019, criminal, felony charges, theft by deception, 18 Pa.C.S. 3922(A)(1), were filed against Defendant Laughman, complaint/incident no. SIL2019-02-00438, arising out of an alleged incident whereby Defendant sold a motor vehicle for \$3,500 on or about October 10, 2018, failed to deliver the truck, failed to return two additional trucks the victims delivered to Defendant Laughman and failed to return the \$3,500. A pre-trial conference was held on November 21, 2019 in *Commonwealth v. Laughman*, Cumberland County Court of Common Pleas Docket No. 21- CR-0001287-2019;

- c. On April 10, 2019, a Dauphin County consumer filed a complaint with the Bureau of Consumer Protection. The consumer alleges purchasing, on March 4, 2019, a 2003 Buick Century from the Defendants for \$2,550. The consumer states she drove the vehicle for forty-five (45) minutes and the brakes failed. The consumer alleges this was despite the fact the Defendant Laughman told her the vehicle was in great condition and ready for inspection. The consumer provided text messages wherein Defendant Laughman misrepresented that the vehicle had an inspection sticker. The consumer alleged she took the vehicle to a mechanic, provided an invoice indicating that the vehicle needed multiple repairs and would not be able to pass inspection. The consumer stated that the vehicle was never moved from Chevy dealership where the consumer took to after breaks went out;
- d. On June 10, 2019, a Dauphin County consumer filed a complaint with the Bureau of Consumer Protection. The consumer alleges that, on or about August 16, 2018, she purchased a 2003 Audi A4 from the Defendants for \$2,500 towards which had a \$1,000 trade in credit. The consumer made ten (10) payments amounting to \$1,350 to Defendants. The consumer states her vehicle was hit from behind and the vehicle was totaled. Following the accident, the consumer states she found out for the first time that she was "leasing" the vehicle and the Defendants obtained a payout from the insurance company of \$3,200.00 and has not, to date, paid any of that insurance payout to the consumer;
- e. On July 10, 2019, a Dauphin County consumer filed a complaint with the Bureau of Consumer Protection. The consumer alleges that, on February 28, 2019, she purchased two vehicles from the Defendants by making an \$800 deposit on each vehicle. Of the two vehicles, a 2002 Buick, the consumer has been unable to pass inspection, blew a gasket after the water pump blew and was found to have a "busted block". Defendants provided the Commonwealth a Bill of Sale for a purchase price of \$500 and allege that the consumer is in arrears for five (5) payments even though the trade-in is valued \$300 more than the purchase price and Defendants are not licensed to enter into installment agreements;
- f. An additional criminal complaint, *Commonwealth v. Laughman*, Cumberland County Court of Common Pleas Docket No. MJ-09304-CR-0000632-2019, was filed against Defendant Laughman alleging, *inter alia*, that he engaged in felony deceptive and fraudulent business practices. The criminal complaint alleges that Defendant Laughman sold a motor vehicle to a consumer, Brandy Gordon, on April 5, 2019 for \$3,150 with an \$800 down payment with the balance in bi-weekly payments. Ms. Gordon was not provided an account balance and did not know how many payments were required to pay off the agreement, as well as incorrectly stating the down payment was an origination fee and increasing the purchase price beyond the agreed to amount, which are alleged violations of TILA. Defendant Laughman also misrepresented that the vehicle would pass Pennsylvania State inspection. The vehicle was sold without an inspection sticker and, after taking the vehicle to get inspected, another repair shop stated the vehicle would cost a third of the purchase price to be inspected. Defendant Laughman misrepresented to the consumer at the time of the sale that the vehicle

was a stolen vehicle when title to the vehicle evidences that the vehicle was reconstructed after being total in a crash.

Also, Defendant Laughman provided a lower purchase price, \$800, to the title company than was charged to Ms. Gordon, which resulted in Defendants collecting and retaining from the consumer a larger amount of Pennsylvania taxes than Defendants paid to the Pennsylvania Department of Revenue. Defendants are not licensed to collect sales tax.

- g. Additionally, Defendant Laughman has on at least two occasions entered into installment agreements, which were disguised as lease agreements, from consumers on vehicles without holding a requisite installment seller license issued by the Department of Banking and Securities as required by Section 6211 of the Consumer Credit Code. 12 Pa.C.S.A. § 6211.

23. The Commonwealth received information, including an additional consumer complaint against the Defendants, evidencing that after filing the 2019 Order, the Defendants continued to violate and engaged in additional conduct in violation of, *inter alia*, the Auto Regulations, and Consumer Protection Law.

24. On October 23, 2019, a Lancaster County Pennsylvania consumer filed a consumer complaint with the Commonwealth alleging that the consumer purchased a vehicle from Defendant Laughman who misrepresented a 2004 Jeep Liberty would pass Pennsylvania vehicle inspection.

25. On October 1, 2019, a Bill of Sale represents that the Lancaster consumer entered into an agreement to purchase the Jeep for \$2000.00 putting \$500.00 as a deposit with the balance due in installment payments. A true and correct copy of the Bill of Sale, redacted in part, is attached hereto as Exhibit "B".

26. The Lancaster County consumer alleged that the day after purchase, the Jeep started shaking and spun out of control causing the consumer to take the vehicle to an auto repair shop.

27. Within two (2) weeks from the date of purchase and after repeated attempts to return for a refund the vehicle to Defendants to no avail, the consumer obtained an estimate for repair

stating that the vehicle could not pass Pennsylvania vehicle inspection without \$1,435.23 in repairs. A true and correct copy of the invoice, redacted in part, is attached hereto as Exhibit "C".

28. Since the 2019 Order, Defendants have engaged in the sale of at least one (1) motor vehicle that is not roadworthy in violation of the Consent Petition and otherwise Section 301.2(5)(iii) of the Auto Regulations¹. See Exhibit A, pp. 7-8 at ¶ II.1; see also 37 Pa. Code § 301.2(5)(iii).

29. Based on the foregoing facts, the Defendants have breached the Consent Petition and are in violation of the 2019 Order, the terms of which constitute an Order within the meaning of Sections 201-8 and 201-9 of the Consumer Protection Law.

VIOLATION OF CONSENT PETITION – FAILURE TO MAKE PAYMENTS

30. Additionally, Defendants violated the 2019 Order and the underlying Consent Petition by failing to satisfy their monetary obligation as stated therein.

31. The 2019 Order and underlying Consent Petition, as agreed by the parties, imposed an obligation for Defendants to pay \$25,367.29 in restitution, of which Defendants have to date paid \$6,000.00, as well as \$25,000.00 in costs and, if this Honorable Court determines Defendants violated the Consent Petition, suspended civil penalties in the amount of \$31,000.00.

32. The 2019 Order was entered as a final order of judgment in favor of the Commonwealth and against the Defendants, the terms of which constitute an Order within the meaning of Sections 201-8 and 201-9 of the Consumer Protection Law, and provides, *inter alia*, the following monetary relief:

- a. Defendants shall be jointly and severally liable for and agree the sum of Fifty Thousand Eight Hundred Ninety Two Dollars and 29/100 (\$50,892.29)

¹ Prohibiting "a motor vehicle which is offered for sale is represented to be roadworthy, and the advertiser or seller shall disclose prior to sale of a vehicle that the vehicle is unable to pass State inspection if the advertiser or seller knows or should know that the conditions exist in the motor vehicle".

(hereinafter "Required Payment") to the Commonwealth of Pennsylvania, Office of Attorney General, which shall be allocated as restitution and costs as follows:

- i. **Restitution:** Defendants hereby acknowledge and agrees to pay and be liable for the payment of Twenty Five Thousand Three Hundred Sixty Seven and 29/100 Dollars (\$25,367.29) as restitution to the Commonwealth of Pennsylvania, Office of Attorney General, to be distributed by the Commonwealth for restitution to consumers who have submitted complaints, as set forth herein, against Defendants to the Commonwealth and/or to those consumers who have been harmed by Defendants' business practices. The amount, timing and manner of distribution of restitution shall be within the sole discretion of the Commonwealth; and
- ii. **Costs of Investigation:** in the amount of Twenty Five Thousand Five Hundred Twenty Five and 00/100 Dollars (\$25,525.00), which shall be distributed to the Commonwealth of Pennsylvania, Office of Attorney General, to reimburse the costs incurred in pursuing this action, and shall be deposited into an interest-bearing account from which both principal and interest shall be expended for public protection and education purposes.

See Exhibit A, pp. 8-9 at ¶ III.A.

33. The Consent Petition required Defendants to pay a Required Payment with an initial payment of One Thousand Five Hundred and 00/100 Dollars (\$1,500.00), which payment was satisfied. See Exhibit A, p. 10 at ¶ III.C.2 and 3.

34. Thereafter, the Defendants were obligated to make monthly payments of One Thousand Five Hundred and 00/100 Dollars (\$1,500.00) on the first of each month starting the first month after the effective date, May 15, 2019, by certified check, cashier's check, or money order, made payable to the Commonwealth of Pennsylvania, Office of Attorney General, and forwarded to Juan P. Sánchez, Senior Deputy Attorney General, Bureau of Consumer Protection, 15th Floor Strawberry Square, Harrisburg, Pennsylvania 17120. See *id.*

35. Section III.C.5 of the Consent Petition provides that in "the event that Defendants fail to make any one payment within twenty (20) days after the due date of the payment, or if Defendants are late in making any two (2) payments by more than five (5) days, regardless of

whether they are consecutive or non-consecutive, the Commonwealth, at its sole option, may accelerate the money ordered to be paid and declare the entire unpaid balance immediately due and owing." See Exhibit A, p. 10 at ¶ III.C.5.

36. Defendants have failed to make four (4) monthly payments, \$6,000.00 out of \$12,000.00 owed as of December 12, 2019, as required by and consistent with the terms of the Consent Petition.

37. Counsel for Defendants has represented to the Commonwealth on multiple occasions that three (3) missing monthly payments, from June through August of 2019, were money orders hand delivered by Defendant Laughman to the Commonwealth.

38. After internal investigation the Commonwealth has no record of any of the three (3) payments being delivered to or received by the Commonwealth, certainly not to undersigned counsel as required by the Consent Petition.

39. After over six (6) months and repeated requests from the Commonwealth for Defendants to provide proof that the alleged payments were redeemed by the Commonwealth, Defendants have failed to provide such documentation.

40. In further violation and alone grounds for violation of the 2019 Order and underlying Consent Petition, Defendants were substantially late in making two (2) of the payments.

41. On November 8, 2019, satisfying the requirements of Section III.C.5 of the Consent Petition, the Commonwealth sent counsel for Defendants written notice that the Commonwealth accelerated the money ordered to be paid and declaring the entire unpaid balance of Forty-Six Thousand Three Hundred Ninety-Two and 29/100 Dollars (\$46,392.29) immediately due and owing. A true and correct copy of the Commonwealth's November 8, 2019 demand letter is attached hereto as Exhibit "D."

42. The Commonwealth also demanded that Defendants immediately make full payment of the accelerated amount of Forty-Six Thousand Three Hundred Ninety-Two and 29/100 Dollars (\$46,392.29) within twenty (20) days.

43. Four days later and twelve (12) days late, on November 12, 2019, Defendants delivered the November monthly installment payment of \$1,500.00.

44. Defendants failed to pay the balance of the accelerated amount of Forty-Four Thousand Eight Hundred Ninety-Two and 29/100 Dollars (\$44,892.29) within twenty (20) days, which, pursuant to the Consent Petition, shall be deemed a violation of the Consent Petition and subject Defendants to all of the sanctions and penalties provided therein and otherwise by law. *See Exhibit A, p. 11 at ¶ III.C.5.*

45. The Commonwealth is not be required to give any notice whatsoever to Defendants of their failure to pay any payment as set forth above in order for such lack of payment to be deemed a violation of the Consent Petition. *See Exhibit A, p. 10 at ¶ III.C.4.*

46. The Commonwealth respectfully requests, pursuant to the 2019 Order and underlying Consent Petition, additional restitution to those consumers filing claims after the Consent Petition was filed for conduct occurring prior to the Consent Petition that the Commonwealth determines in its discretion are substantiated claims in the amount of Six Thousand Two Hundred Fifty and 0/100 Dollars, to be paid to the Commonwealth within thirty (30) days of the date of this Order.

47. At the time of filing of the Consent Petition, the Commonwealth suspended civil penalties but the suspended civil penalties are due and payable by Defendants to the Commonwealth once this Honorable Court determines that the Defendants have engaged in acts or practices that violate any of the terms of the Consent Petition.

48. Accordingly, the Commonwealth requests that Defendants be liable for and pay the remaining amount of the accelerated balance, suspended penalties and additional consumer restitution as required by the 2019 Order and Consent Petition as stated in the Commonwealth's proposed order attached hereto.

RELIEF DEMANDED

49. The Commonwealth respectfully requests an Order finding Defendants violated and are in contempt of the 2019 Order.

50. The Commonwealth seeks to shut down Defendants' motor vehicle business as none of the prior enforcement actions have deterred Defendants from continuing to operate in violations of Pennsylvania law to the detriment of Pennsylvania consumers.

51. Worse yet, the Defendants are selling unsafe vehicles putting Pennsylvania consumers at risk of serious bodily harm as alleged herein.

52. The parties stipulated that the 2019 Order, and as otherwise permitted by Sections 201-8 201-9 of the Consumer Protection law, "shall act as a permanent injunction issued pursuant to Section 201-4 of the Consumer Law and Defendants agree by signing this Consent Petition that Defendants shall abide by each of the aforementioned provisions and that **breach of any one of these terms shall be sufficient warrant** for the Commonwealth of Pennsylvania to seek **penalties** provided for under Section 201-8(a) of the Consumer Protection Law, 73 P.S. § 201-8(a), and seek to **any other equitable relief** that the Court deems necessary and proper, up to and including **forfeiture of the right to engage in trade or commerce in the Commonwealth of Pennsylvania.**" See Exhibit A, p. 14 at ¶ IV.L (Emphasis added); see also 73 P.S. § 201-9.

53. The Commonwealth has taken prior actions against Defendant Laughman and his businesses for violations of the Auto Regulations and Consumer Protection Law.

54. On May 26, 1999, on behalf of his then business, New Kingstown Auto Sales, Inc. (the "Prior Dealership"), executed an Assurance of Voluntary Compliance, filed with this Honorable Court on June 1, 1999, for violations of the Auto Regulations and Consumer Protection Law. *See* Exhibit A, at p. 6.

55. Defendant Laughman, as owner and officer of the Prior Dealership, agreed to comply with any and all provisions of the Consumer Protection Law, the Consumer Credit Code² and the Auto Regulations and was already permanently enjoined from any violation thereof.

56. Additionally, a previous Petition for Sanctions was filed on December 20, 2001 against the Prior Dealership for failing to provide motor vehicle warranty disclaimers as required by the Auto Regulations and Consumer Protection Law, which was resolved by stipulation and, again, Defendant Laughman, as sole owner, agreed to conform to the Auto Regulations and Consumer Protection Law.

57. Prior to and after filing the Complaint on July 28, 2016, the Commonwealth received numerous additional consumer complaints against the Defendants evidencing that the Defendants continued to violate, *inter alia*, the Auto Regulations and Consumer Protection Law.

58. After filing the Consent Petition, on May 13, 2019, the Commonwealth received additional consumer complaints against the Defendants and additional information evidencing that the Defendants continued to violate the Auto Regulations, TILA, BVA, MVC, Consumer Credit Code and Consumer Protection Law.

59. The continued and uninterrupted violations of the Defendants demonstrate that Defendants must be restrained to protect the public as permitted by Sections 201-4 and 201-9 of the Consumer Protection Law. 73 P.S. §§ 201-4 and 201-9.

² The Consumer Credit Code repealed and replaced the *Motor Vehicle Finance Act*, 69 P.S. § 601, *et seq.* on December 1, 2014 by Act 98 of 2013.

60. Section 201-8(a) of the Consumer Protection Law provides that in an action, such as this legal action, with a claim pursuant to Section 201-4 of the Consumer Protection Law:

“Any person who violates the terms of an injunction issued under section 4 of [the Consumer Protection Law] or any of the terms of an assurance of voluntary compliance duly filed in court under section 5 of this act shall forfeit and pay to the Commonwealth a civil penalty of not more than five thousand dollars (\$5,000) for each violation. For the purposes of this section the court issuing an injunction or in which an assurance of voluntary compliance is filed shall retain jurisdiction, and the cause shall be continued; and, in such cases, the Attorney General, or the appropriate District Attorney, acting in the name of the Commonwealth of Pennsylvania, may petition for recovery of civil penalties and any other equitable relief deemed needed or proper.”

73 Pa.C.S.A. § 201-8(a)(Emphasis added).

61. As a result of the aforementioned violations of Pennsylvania law, the Commonwealth requests that this Court permanently enjoin Defendants from engaging in the automotive business including, without limitation, selling, accepting deposits, marketing, advertising services and repairing motor vehicles.

62. As a result of the aforementioned violations of Pennsylvania law, the Commonwealth requests that this Court order Defendants to take such measures necessary to effectuate such forfeiture as detailed in the Commonwealth’s proposed order attached hereto.

63. Section 201-8(a) of the Consumer Protection Law permits the Commonwealth to ask this Court for civil penalties of not more than Five Thousand and 00/100 Dollars (\$5,000) for each violation of a Consent under Section 201-5 of the Consumer Protection Law, and any other relief deemed necessary and proper. 73 P.S. § 201-8(a).

64. Defendants’ willful violations warrant imposition of the maximum amount of civil penalties permitted by pursuant to Section 201-8(a) of the Consumer Protection Law, Five Thousand and 0/100 Dollars (\$5,000.00) per violation, which amounts to at least Five Thousand and 0/100 Dollars (\$5,000.00).

65. The Commonwealth respectfully requests restitution for the Lancaster County consumer, if such restitution has not already been satisfied, in the amount of One Thousand Four Hundred Thirty-Five and 23/100 Dollars (\$1,435.23), to be paid to the Commonwealth within thirty (30) days of the date of this Order.

66. The Commonwealth requests attorney fees and costs based upon Defendants' failure to comply with the 2019 Order, and the Commonwealth shall file with this Court for the Court's consideration a bill of costs within sixty (60) days of this Order.

67. The Commonwealth requests that, upon a subsequent violation of any order issued pursuant to this motion, a bench warrant shall be issued for the arrest of Defendant Laughman and he shall be incarcerated until he has purged himself of his contempt in accordance with the 2019 Order to the satisfaction of this Court.

68. Accordingly, and pursuant to Sections 201-4, 201-8(a) and 201-9 of the Consumer Protection Law, the Commonwealth seeks the imposition of the relief set forth in the Contempt Petition, 2019 Order and in the Commonwealth's proposed Order attached hereto.

WHEREFORE, the Commonwealth respectfully requests this Honorable Court to enter an Order granting the relief stated in the proposed Order attached hereto and any other relief this Honorable Court deems proper.

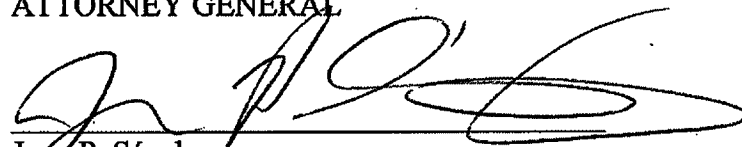
Respectfully Submitted,

COMMONWEALTH OF PENNSYLVANIA
OFFICE OF ATTORNEY GENERAL

JOSH SHAPIRO
ATTORNEY GENERAL

Date: 12/19/19

By:



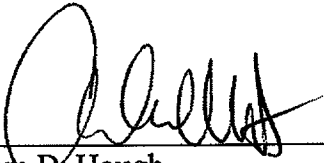
Juan P. Sánchez
Senior Deputy Attorney General
PA Attorney ID #206839
Office of Attorney General
15th Floor, Strawberry Square
Harrisburg, PA 17120
Telephone: (717) 787-9707
Facsimile: (717) 705-3795
Email: jpsanchez@attorneygeneral.gov

VERIFICATION

I, Adam D. Hough, state that I am a Consumer Protection Agent with the Commonwealth of Pennsylvania, Office of Attorney General, Bureau of Consumer Protection and that I am authorized to make this Verification and that the statements made in the foregoing Motion are true and correct to the best of my knowledge or information and belief. I understand that the statements made herein are made subject to the penalties of 18 Pa. C.S. § 4904, relating to unsworn falsification to authorities.

Date:

12/19/19


Adam D. Hough
Consumer Protection Agent

IN THE COURT OF COMMON PLEAS OF
CUMBERLAND COUNTY, PENNSYLVANIA
CIVIL TRIAL DIVISION- EQUITY

COMMONWEALTH OF PENNSYLVANIA,
OFFICE OF ATTORNEY GENERAL

Plaintiff,

v.

NEW KINGSTOWN AUTO, LLC

and

HARRY D. LAUGHMAN, Individually and as
Sole Owner of New Kingstown Auto, LLC

and

DANA L. (BLOSSER) SAN, Individually

Defendants.

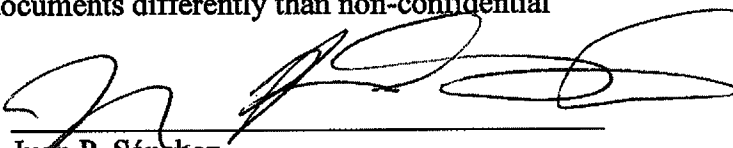
Case No.: 2016-04311

CERTIFICATE OF COMPLIANCE

I certify that this filing complies with the provisions of the *Public Access Policy of the Unified Judicial System of Pennsylvania: Case Records of the Appellate and Trial Courts* that require filing confidential information and documents differently than non-confidential information and documents.

Date: 12/19/19

By:


Juan P. Sánchez
Senior Deputy Attorney General
PA Attorney ID #206839
Office of Attorney General
15th Floor, Strawberry Square
Harrisburg, PA 17120
Telephone: (717) 787-9707
Facsimile: (717) 705-3795
Email: jpsanchez@attorneygeneral.gov

IN THE COURT OF COMMON PLEAS OF
CUMBERLAND COUNTY, PENNSYLVANIA
CIVIL TRIAL DIVISION- EQUITY

COMMONWEALTH OF PENNSYLVANIA, :
OFFICE OF ATTORNEY GENERAL :

Plaintiff, :

Case No.: 2016-04311

v. :

NEW KINGSTOWN AUTO, LLC :

and :

HARRY D. LAUGHMAN, Individually and as :
Sole Owner of New Kingstown Auto, LLC :

and :

DANA L. (BLOSSER) SAN, Individually :

Defendants. :

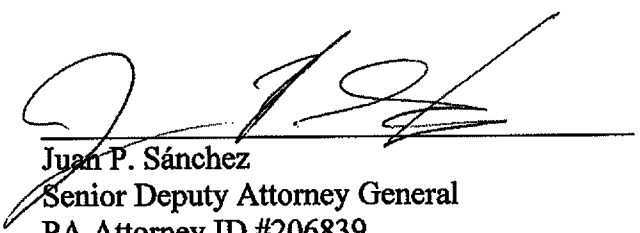
CERTIFICATE OF SERVICE

I, Juan P. Sánchez, Senior Deputy Attorney General, do hereby certify that a true and correct copy of the foregoing Motion was served via first class mail on the date noted and to the recipient(s) below:

John M. Glace, Esquire
1 East Main Street
Shiremanstown, PA 17011
jmglace@aol.com

Date: 12/23/19

By:



Juan P. Sánchez
Senior Deputy Attorney General
PA Attorney ID #206839
Office of Attorney General
15th Floor, Strawberry Square
Harrisburg, PA 17120
Telephone: (717) 787-9707

EXHIBIT A

IN THE COURT OF COMMON PLEAS OF
CUMBERLAND COUNTY, PENNSYLVANIA
CIVIL ACTION

COMMONWEALTH OF PENNSYLVANIA,
OFFICE OF ATTORNEY GENERAL

Plaintiff,

v.

NEW KINGSTOWN AUTO, LLC

and

HARRY D. LAUGHMAN, Individually and as
Sole Owner of New Kingstown Auto, LLC

and

DANA L. (BLOSSER) SAN, Individually

Defendants.

Case No.: 2016-04311

FILED-OFFICE
OF THE PROTHONOTARY
2019 MAY 15 PM 12:47
CUMBERLAND COUNTY
PENNSYLVANIA

ORDER

AND NOW, this 15th day of May, 2019, the attached Consent Petition
agreed to by counsel and all parties is hereby entered as the ORDER and FINAL DECREE of
this Honorable Court.

BY THE COURT:


Jessica E. Brewbaker, J.

Juan P. Sánchez
Senior Deputy Attorney General
PA Attorney ID #206839
Bureau of Consumer Protection
15th Floor, Strawberry Square
Harrisburg, Pennsylvania 17120
Telephone: (717) 787-9707
Facsimile: (717) 705-3795
Email: jpsanchez@attorneygeneral.gov

**IN THE COURT OF COMMON PLEAS OF
CUMBERLAND COUNTY, PENNSYLVANIA
CIVIL ACTION**

**COMMONWEALTH OF PENNSYLVANIA,
OFFICE OF ATTORNEY GENERAL**

Plaintiff,

Case No.: 2016-04311

v.

NEW KINGSTOWN AUTO, LLC

and

**HARRY D. LAUGHMAN, Individually and as
Sole Owner of New Kingstown Auto, LLC**

and

DANA L. (BLOSSER) SAN, Individually

Defendants.

CONSENT PETITION FOR FINAL DECREE

AND NOW, the Commonwealth of Pennsylvania Office of Attorney General, by Attorney General Josh Shapiro, through the Bureau of Consumer Protection (hereinafter "Commonwealth" or "Plaintiff"), filed a Complaint, pursuant to the Pennsylvania Unfair Trade Practices and Consumer Protection Law, 73 P.S. §§ 201-1, *et seq.* (hereinafter "Consumer Protection Law"), to restrain by permanent injunction unfair or deceptive acts or practices in the conduct of trade or

commerce declared unlawful by Section 201-3 of the Consumer Protection Law, as more fully set forth in the Complaint which is incorporated herein by reference; and hereby brings this joint Consent Petition for a Final Decree as to all parties and, in support thereof, states the following:

PARTIES

WHEREAS, the Petitioner is the Commonwealth of Pennsylvania Office of Attorney General, by Attorney General Josh Shapiro, through the Bureau of Consumer Protection, with offices located at 15th Floor, Strawberry Square, Harrisburg, PA 17120.

WHEREAS, Defendant New Kingstown Auto, LLC (hereinafter "Defendant New Kingstown Auto" or collectively one of the "Defendants"), is a registered Pennsylvania limited liability company, which operates as a motor vehicle dealership at 1168 West Trindle Road, Mechanicsburg, Pennsylvania 17055.

WHEREAS, Defendant Harry D. Laughman (hereinafter "Defendant Laughman" or collectively one of the "Defendants"), is an adult individual who resides at 12 Oakridge Road, Carlisle, Pennsylvania 17072 and at all times relevant hereto is the sole owner of Defendant New Kingstown Auto.

WHEREAS, Defendant Dana L. (Blosser) San (hereinafter "Defendant Blosser" or collectively one of the "Defendants"), is an adult individual who resides at 418 West Main Street, Mechanicsburg, Pennsylvania 17055 and at all times relevant hereto was an employee or agent of Defendant New Kingstown Auto and Defendant Laughman.

WHEREAS, Defendant Laughman is the only licensed sales person and Defendants acknowledge that Defendant New Kingstown can only engage in installment sales through Defendant Laughman under Section 818.5 of the Board of Vehicles Act, 63 P.S. §§ 818.1, *et seq.* ("Board of Vehicles Act"). 63 P.S. § 818.5(c).

BACKGROUND

WHEREAS, on July 18, 2016 the Commonwealth filed the above captioned, five (5) count civil action in equity against Defendants in the Cumberland County Court of Common Pleas (hereinafter "Complaint"), which is incorporated herein by reference pursuant to Rule 1019(g) of the Pennsylvania Rules of Civil Procedure.

WHEREAS, Defendants have willfully violated the Consumer Protection Law in the manner set forth in the Complaint by, among other things, violating the Automotive Industry Trade Practices, 37 Pa. Code §§ 301.1, *et seq.* ("Auto Regulations"), the Board of Vehicles Act, the Vehicle Code, 75 P.S. §§ 101, *et seq.* ("Vehicle Code"), the Truth in Lending Act, 12 C.F.R. §§ 213.1, *et seq.* ("Regulation M"), and the Consumer Credit Code, 12 Pa. C.S.A. §§ 6201, *et seq.* ("Consumer Credit Code").

WHEREAS, Defendants' misleading and deceptive conduct described in the Complaint dates from June 1, 2014 through 2018.

WHEREAS, by Order dated April 10, 2018, the Honorable Jessica E. Brewbaker granted the Commonwealth's Motion for Sanctions and entered default judgment against Defendants; and also deemed all designated or disputed facts established in accordance with the claims in the Complaint. Thus, as a matter of law, the following violations are deemed admitted:

- a. Defendants New Kingstown Auto and Laughman willfully advertised 18 used motor vehicles for sale without disclosing the business name and address of the advertiser or the word "dealer", which is known as a "blind dealer" advertisement and is a violation of the Auto Regulations and Consumer Protection Law, 37 Pa. Code § 301.2(7) and 73 P.S. §§ 201-2(4)(v), (vii) and (xxi). *See* Complaint Exhibit A at ¶¶ 34-35, 44-48, 51-53, 56-57 and Exhibit 1;
- b. Defendants New Kingstown Auto and Laughman willfully misrepresented to 1 consumer that a used motorcycle with characteristics and standards of 69,000 miles, when in fact the motorcycle was titled with 153,000 miles, which is a violation the Consumer Protection Law, 73 P.S. §§ 201-2(4)(v), (vii) and (xxi). *See* Complaint Exhibit A at ¶¶ 34-35, 49-50, 54, 56-57 and Exhibits 2-3;

- c. Defendants New Kingstown Auto and Laughman willfully advertised and offered for sale to 1 consumer a used motorcycle with 69,000 miles with the intent not to sell a used motorcycle with 69,000 miles, which is a violation the Consumer Protection Law, 73 P.S. § 201-2(4)(ix). *See* Complaint Exhibit A at ¶¶ 34-35, 49-50, 55-57 and Exhibits 2-3;
- d. Defendants New Kingstown Auto or Laughman willfully allowed and Defendant Blosser willfully engaged in the business of selling motor vehicles by entering into binding contracts, bills of sales, as the dealer or dealer's representative without being issued a valid dealer or salesperson license, as required by Section 818.5(a)(1) of the BVA, which is a violation the Consumer Protection Law, 73 P.S. §§ 201-2(4)(ii),(iii), (v) and (xxi). *See* Complaint Exhibit A at ¶¶ 59-66;
- e. Defendants willfully failed to forward to Penn DOT money and forms submitted by 1 consumer whom purchased a motor vehicle with temporary registration tags within the time required by law, which is a violation of the Section 1103.1 of the MVC, Auto Regulations and Consumer Protection Law, 37 Pa. Code § 301.4(10) and 73 P.S. §§ 201-2(4)(v),(vii) and (xxi). *See* Complaint Exhibit A at ¶¶ 68-74;
- f. Defendants willfully engaged in lease transactions, through a bill of sale for each sale, with 5 consumers every calendar year that does not include requisite lease disclosures and is not compliant with Sections 213.2, 213.4(b),(f),(g),(j),(l) and (m) of the TILA, which is a violation of the Consumer Protection Law, 73 P.S. § 201-2(4)(xxi). *See* Complaint Exhibit A at ¶¶ 76-82 and Exhibits 4-5;
- g. Defendants willfully accepted installment payments from 3 consumers on vehicles without holding a requisite installment seller license issued by the Department of Banking and Securities as required by Section 6211 of the Consumer Credit Code, which is a violation of the Consumer Protection Law, 73 P.S. § 201-2(4)(xxi). *See* Complaint Exhibit A at ¶¶ 84-87, 89-90; and
- h. Defendants willfully provided 1 consumer with an installment sale contract that does not comply with the requirements of Section 6221(a) of the Consumer Credit Code, which is a violation of Consumer Protection Law, 12 Pa.C.S.A. § 6202 and 73 P.S. § 201-2(4)(xxi). *See* Complaint Exhibit A at ¶¶ 84-86, 88-90.

WHEREAS, on June 8, 2018, the Commonwealth filed a Motion for order to frame the default judgement entered against Defendants, which has been stayed by Order of the Court pending the parties reaching an agreement to settle this matter through this Consent Petition.

WHEREAS, prior to and after filing the Complaint, the Commonwealth received additional consumer complaints against the Defendants evidencing that the Defendants continued

to violate the Auto Regulations, TILA, MVA, MVC, Consumer Credit Code and Consumer Protection Law. For example:

- a. On July 15, 2015, Richard Mitchell purchased a motorcycle from Defendants for a total purchase price of \$1,359.00 with 84,000 more miles than advertised and disclosed for which \$1,359.00 is claimed as restitution;
- b. On May 25, 2016, Tawny Baker purchased a motor vehicle from Defendants for a total purchase price of \$3,584.00, including \$87.00 for Defendants to transfer title and registration, which Defendants did not timely transfer and the vehicle was immediately in need of repair and for which \$3,584.00 is claimed as restitution;
- c. On August 31, 2016, Defendants utilized an unlawful lease agreement pursuant to which Tiffany McNeal was obligated to and did pay \$3,100.00, which is claimed as restitution;
- d. On September 15, 2016, Defendants utilized an unlawful lease agreement pursuant to which Emily Morrow was obligated to pay \$3,034.00 of which she has paid \$769.22, which is claimed as restitution;
- e. On February 15, 2017, Defendants utilized an unlawful lease agreement pursuant to which Somer Haskins was obligated to pay \$3,225.00 of which she has paid \$1,250.00, which is claimed as restitution;
- f. On June 6, 2015, Defendants utilized fraudulent inspection stickers and a promise to make repairs to induce John Kichman to purchase a motor vehicle for \$1,550.00 from an unlicensed salesperson, which vehicle was unroadworthy shortly after purchase and John Kichman spent \$1,296.55 on parts; Defendants promised to and never reimbursed Mr. Kichman, which amounts to \$2,846.55 claimed as restitution;
- g. On or about August 1, 2017, Defendants utilized two unlawful lease agreements for two different motor vehicles pursuant to which Sabrina Harvey was obligated to pay \$5,281.50 and has paid \$2,300.00, which is claimed as restitution;
- h. On or about November 17, 2017, Defendants misrepresented the inspection, mileage and year of the vehicle to induce Martin Martinez to purchase the motor vehicle for \$2,153.00, which is claimed as restitution;
- i. On or about September 22, 2017, Defendants utilized an unlawful lease agreement pursuant to which Savalas Pope II was obligated to pay \$5,650.00 and has paid, along with Casey Jordan, \$1,550.00 for a vehicle for which Defendants did not have title and failed to transfer title, and claimed \$1,550.00 as restitution;
- j. On or about August 2017 and November 10, 2017, Defendants utilized lease agreement that Richard Ridley paid off early and was required by Defendants to

enter into a purchase agreement unlawfully executed by Defendant San \$2,850.00. Richard Ridley has incurred and claimed restitution in the amount of \$836.52 to pay for repairs to the motor vehicle purchased;

- k. On February 28, 2017, Defendants utilized an unlawful lease agreement pursuant to which Tammy Basham was obligated to pay \$3,800.00 and has paid \$1,750.00, which is claimed as restitution; and
- l. On February 22, 2018, Seytia Van Dan and Kadeem Smothers paid \$1,000.00 toward the purchase of a motor vehicle from Defendants, which Defendants failed to have current inspection and the vehicle was returned to Defendants; thereafter, Defendants utilized an unlawful lease agreement for a second motor vehicle to replace the first uninspected vehicle pursuant to which Seytia Van Dan was obligated to pay \$6,286.50 and has paid \$1,350.00 to date, which is claimed as restitution.

WHEREAS, the Commonwealth has taken prior actions against Defendant Laughman and his businesses for violations of the Consumer Credit Code, Auto Regulations and Consumer Protection Law. A copy of the April 8, 2002 Order and Final Decree granting the Stipulation of the Parties with an attached Assurance of Voluntary Compliance dated June 1, 1999 is attached hereto as Exhibit "A."

WHEREAS, the Defendants are desirous of complying with the laws of the Commonwealth and the provisions of this Consent Petition, and have executed this Consent Petition with the intent that upon approval of the Court, the provisions of this Consent Petition shall constitute a Final Decree of the Court with respect to these parties to this Consent Petition.

WHEREAS, the Defendants hereby agree to cease and desist from engaging in any of the matters alleged by the Commonwealth to be unlawful in its Complaint by consenting to the provisions set forth herein.

WHEREAS, the parties to this Consent Petition are agreeable in the matter to accept this Consent Petition in lieu of proceeding to frame the default judgement against the Defendants.

WHEREAS, the Defendants hereby agree by the signing of this Consent Petition to recognize any and all obligations, liabilities, responsibilities and encumbrances as set forth in this Consent Petition.

SETTLEMENT TERMS

NOW THEREFORE, having conducted trade and commerce within the Commonwealth, the Defendants agree, for themselves, their successors, assigns, agents, employees, representatives, employees, franchisees, retail divisions or stores and all other persons acting on their behalf, directly or indirectly, or through any corporate or other business device as follows:

I. The above recitals are incorporated herein as though fully set forth.

II. Injunctive and Affirmative Relief

A. Defendants shall comply with any and all provisions of the Consumer Protection Law and any amendments thereto; and, is permanently enjoined from any violation thereof.

B. Defendants shall comply with any and all provisions of the Auto Regulations and any amendments thereto; and, is permanently enjoined from any violation thereof.

C. Defendants shall properly advertise their business name and address, or the word "dealer," in all advertisements.

D. Defendants shall not misrepresent the characteristics or standards of the goods or services offered for sale within their advertisements or sales presentations.

E. Defendants shall comply with any and all provisions of the BVA and any amendments thereto; and, is permanently enjoined from any violation thereof.

F. Defendant San shall not engage in the business of selling motor vehicles without an appropriate license from the State Board of Vehicle Manufacturers, Dealers, and Salespersons.

G. Defendant New Kingstown Auto and Defendant Laughman shall not permit unlicensed sales activity.

H. Defendants shall comply with any and all provisions of the Vehicle Code and any amendments thereto; and, is permanently enjoined from any violation thereof.

I. Defendants shall no longer directly provide title or registration transfers but shall be responsible and liable for ensuring that all money submitted and forms signed by a consumer, such as title and registration fees and paperwork, are forwarded to PennDOT within twenty days from the date of sale as prescribed by the Vehicle Code. If Defendants use a third party for such paperwork, Defendants shall turn over all requisite consumer information or documents to the third party no later than one (1) business day after a consumer purchase.

J. Defendants shall comply with any and all provisions of Regulation M and any amendments thereto; and, is permanently enjoined from any violation thereof.

K. Defendants shall be permitted to offer customers Rent to Own agreement(s) but must fully comply with any requisite laws and regulations pertaining thereto.

L. Defendants shall comply with any and all provisions of the Consumer Credit Code and any amendments thereto; and, is permanently enjoined from any violation thereof.

M. Defendants shall no longer accept installment payments for vehicles unless Defendants obtain an installment seller license issued by the Department of Banking and Securities and provide consumers with an installment sale contract that complies with the requirements of the Consumer Credit Code.

III. Monetary Relief

A. Upon execution of this Consent Petition, Defendants shall be jointly and severally liable for and agree the sum of Fifty Thousand Eight Hundred Ninety Two Dollars and 29/100

(\$50,892.29) (hereinafter "Required Payment") to the Commonwealth of Pennsylvania, Office of Attorney General, which shall be allocated as restitution and costs as follows:

1. **Restitution:** Defendants hereby acknowledge and agrees to pay and be liable for the payment of Twenty Five Thousand Three Hundred Sixty Seven and 29/100 Dollars (\$25,367.29) as restitution to the Commonwealth of Pennsylvania, Office of Attorney General, to be distributed by the Commonwealth for restitution to consumers who have submitted complaints, as set forth herein, against Defendants to the Commonwealth and/or to those consumers who have been harmed by Defendants' business practices. The amount, timing and manner of distribution of restitution shall be within the sole discretion of the Commonwealth.

2. **Costs of Investigation:** in the amount of Twenty Five Thousand Five Hundred Twenty Five and 00/100 Dollars (\$25,525.00), which shall be distributed to the Commonwealth of Pennsylvania, Office of Attorney General, to reimburse the costs incurred in pursuing this action, and shall be deposited into an interest-bearing account from which both principal and interest shall be expended for public protection and education purposes.

B. **Civil Penalties:** in addition to the Required Payment set forth in Paragraph III(A), above, the Defendants shall pay the Thirty One Thousand and 00/100 Dollars (\$31,000.00), which shall be distributed to the Commonwealth of Pennsylvania, Department of Treasury.

C. **Payment Terms:**

1. Civil Penalties, pursuant to Paragraph III.B., shall be suspended and shall not become due and payable by Defendants to the Commonwealth unless and until a Court determines that the Defendants have engaged in acts or practices that violate any of the terms of this Consent Petition.

2. All restitution and costs of investigation, pursuant to Paragraph III.A.1. and III.A.2., shall be paid with an initial payment of One Thousand Five Hundred and 00/100 Dollars (\$1,500.00) upon execution of and before filing the Consent Petition. Thereafter, the Defendants shall make monthly payments of One Thousand Five Hundred and 00/100 Dollars (\$1,500.00), by the first of each month starting the first month after the Effective Date and shall end at such time when the full amount has been remitted to the Commonwealth; these payments shall first be applied to restitution.
3. Defendants shall make all payments by certified check, cashier's check, or money order, made payable to the Commonwealth of Pennsylvania, Office of Attorney General, and forwarded to Juan P. Sánchez, Senior Deputy Attorney General, Bureau of Consumer Protection, 15th Floor Strawberry Square, Harrisburg, Pennsylvania 17120.
4. The Commonwealth shall not be required to give any notice whatsoever to Defendants of their failure to pay any payment as set forth above in order for such lack of payment to be deemed a violation of this Consent Petition.
5. In the event that Defendants fail to make any one payment within twenty (20) days after the due date of the payment, or if Defendants are late in making any two (2) payments by more than five (5) days, regardless of whether they are consecutive or non-consecutive, the Commonwealth, at its sole option, may accelerate the money ordered to be paid and declare the entire unpaid balance immediately due and owing. Upon written demand, Defendants shall immediately make full payment of the accelerated amount within twenty (20) days of said

demand. Failure to pay the accelerated amount shall be deemed a violation of this Consent Petition and subject Defendants to all of the sanctions and penalties provided by the Consent Petition and otherwise by law.

6. Defendants shall provide restitution to any substantiated and documented consumer complaints filed with the Bureau of Consumer Protection within ninety (90) days of the filing of this Consent Petition. Any complaint that is postmarked by the ninetieth (90th) day shall be deemed timely. Copies of any complaints or requests made directly to Defendants shall be forwarded to the Commonwealth to:

Office of Attorney General
Bureau of Consumer Protection
Juan P. Sánchez
15th Floor Strawberry Square
Harrisburg, Pennsylvania 17120

7. On or before one hundred fifty (150) days of the filing of this Consent Petition, Defendants shall provide a written list to the Commonwealth documenting and verifying that any such consumer complaint has received restitution in the appropriate sum.

D. After Defendants have made the Required Payment, Defendants shall no longer have any property right, title, interest, or other legal claim in any funds held in escrow.

IV. Miscellaneous Terms

A. Harry D. Laughman, as owner of New Kingstown Auto, LLC, hereby states that he is authorized to enter into this Consent Petition on behalf of Defendant New Kingstown Auto and that his signature on this document binds Defendant New Kingstown Auto to all terms herein.

B. Defendant Laughman and Defendant San hereby state that they are authorized to enter into and execute this Consent Petition. Defendants have been represented by legal counsel and have been advised by their legal counsel of the meaning and effect of this Consent Petition.

C. The "Effective Date" of this Consent Petition shall be the date that the Cumberland County Court of Common Pleas enters an Order approving the terms of this Consent Petition.

D. Defendants shall deliver a copy of this Consent Petition to all current and future employees; and shall secure from each such person a signed and dated statement acknowledging receipt of the same.

E. This Consent Petition may be executed in any number of counterparts and by different signatories on separate counterparts, each of which shall constitute an original counterpart hereof and all of which together shall constitute one and the same document. One or more counterparts of this Consent Petition may be delivered by facsimile or electronic transmission with the intent that it or they shall constitute an original counterpart hereof.

F. This Consent Petition sets forth all of the promises, covenants, agreements, conditions and understandings between the parties, and supersedes all prior and contemporaneous agreements, understandings, inducements or conditions, expressed or implied. There are no representations, arrangements, or understandings, oral or written, between the parties relating to the subject matter of this Consent Petition that are not fully expressed herein or attached hereto. Each party specifically warrants that this Consent Petition is executed without reliance upon any statement or representation by any other party hereto, except as expressly stated herein.

G. Defendants further agree to execute and deliver all authorizations, documents and instruments which are necessary to carry out the terms and conditions of this Consent Petition, whether required prior to, contemporaneous with, or subsequent to the Effective Date.

H. Defendants shall not, directly or indirectly, form a separate entity or corporation for the purpose of engaging in acts prohibited by this Consent Petition or for the purpose of circumventing this Consent Petition.

I. If any clause, provision or section of this Consent Petition shall, for any reason, be held illegal, invalid, or unenforceable, such illegality, invalidity, or unenforceability shall not affect any other clause, provision or section of this Consent Petition and this Consent Petition shall be construed and enforced as if such illegal, invalid, or unenforceable clause, section or other provision had not been contained herein.

J. The Cumberland County Court of Common Pleas shall maintain jurisdiction over the subject matter of this Consent Petition and over the Defendants for purpose of enforcement of the terms of this Consent Petition and Final Decree.

K. Any failure of the Commonwealth to exercise any of its rights under this Consent Petition shall not constitute a waiver of its rights hereunder.

L. The parties stipulate that the Final Decree, Order or Judgement to be issued pursuant to this Consent Petition shall act as a permanent injunction issued pursuant to Section 201-4 of the Consumer Law and Defendants agree by signing this Consent Petition that Defendants shall abide by each of the aforementioned provisions and that breach of any one of these terms shall be sufficient warrant for the Commonwealth of Pennsylvania to seek penalties provided for under Section 201-8(a) of the Consumer Protection Law, 73 P.S. § 201-8(a), and seek to any other equitable relief that the Court deems necessary and proper, up to and including forfeiture of the right to engage in trade or commerce in the Commonwealth of Pennsylvania.

M. Nothing contained in this Consent Petition shall be construed to waive or limit any right of action by any consumer, person or entity, or by any local, state, federal or other governmental entity.

N. Defendants understand and agree that if they have made any false statement in or related to this Consent Petition, that such statement is made pursuant to and under penalty of 18 Pa.C.S. § 4904 relating to unsworn falsifications to authorities.

O. The parties hereto further acknowledge and agree that this Consent Petition is subject to and contingent upon this Consent Petition and/or the agreements contained herein being approved by the Cumberland County Court of Common Pleas entered as a Final Decree, Order or Judgment.

P. Time is of the essence with regard to Defendants' obligations hereinafter.

Q. Defendants shall not represent or imply that the Commonwealth acquiesce in or approves of, Defendants past or current business practices, efforts to improve their practices or any future practices that Defendants may adopt.

WHEREFORE, the Defendants agree to the signing of this Consent Petition and by the entry of the Court's Order approving its terms that Defendants shall be permanently enjoined from breaching any and all of the aforementioned provisions.

WE HEREBY consent to this Consent Petition for Final Decree and submit the same to this Honorable Court for making and entry of a Final Order of the Court.

**COMMONWEALTH OF PENNSYLVANIA
OFFICE OF ATTORNEY GENERAL**

**JOSH SHAPIRO
ATTORNEY GENERAL**

Date:

5/13/19

By:



Juan P. Sánchez
Senior Deputy Attorney General
PA Attorney I.D. No. 206839
Bureau of Consumer Protection
15th Floor, Strawberry Square
Harrisburg, PA 17120
Telephone: (717) 787-9707
Facsimile: (717) 705-3795
Email: jpsanchez@attorneygeneral.gov

For the Defendants:

**NEW KINGSTOWN AUTO, LLC and
HARRY D. LAUGHMAN, Individually**

Date: 4-18-19

By: 

Harry D. Laughman, individually and as
owner of New Kingstown Auto, LLC
1168 West Trindle Road
Mechanicsburg, Pennsylvania 17055

DANA L. SAN, Individually

Date: 4-18-19

By: 

Dana L. (Blosser) San, Individually
418 West Main Street
Mechanicsburg, Pennsylvania 17055

Date: 4/16/2019

By: 

John M. Glace, Esquire
Supreme Ct. ID: 23933
1 East Main Street
Shiremanstown, PA 17011
Telephone: (717)-238-5515
Facsimile: (717)-238-6929
Email: jmglace@aol.com

**IN THE COURT OF COMMON PLEAS OF
CUMBERLAND COUNTY, PENNSYLVANIA
CIVIL TRIAL DIVISION- EQUITY**

**COMMONWEALTH OF PENNSYLVANIA,
OFFICE OF ATTORNEY GENERAL**

Plaintiff,

Case No.: 2016-04311

v.

NEW KINGSTOWN AUTO, LLC

and

**HARRY D. LAUGHMAN, Individually and as
Sole Owner of New Kingstown Auto, LLC**

and

DANA L. (BLOSSER) SAN, Individually


Defendants.

CERTIFICATE OF COMPLIANCE

I certify that this filing complies with the provisions of the *Public Access Policy of the Unified Judicial System of Pennsylvania: Case Records of the Appellate and Trial Courts* that require filing confidential information and documents differently than non-confidential information and documents.

Date: May 13, 2018

By:


**Juan P. Sánchez
Senior Deputy Attorney General
Office of Attorney General
Bureau of Consumer Protection**

IN THE COURT OF COMMON PLEAS OF
CUMBERLAND COUNTY, PENNSYLVANIA
CIVIL TRIAL DIVISION- EQUITY

COMMONWEALTH OF PENNSYLVANIA,
OFFICE OF ATTORNEY GENERAL

Plaintiff,

v.

NEW KINGSTOWN AUTO, LLC

and

HARRY D. LAUGHMAN, Individually and as
Sole Owner of New Kingstown Auto, LLC

and

DANA L. (BLOSSER) SAN, Individually

Defendants.

Case No.: 2016-04311

CERTIFICATE OF SERVICE

I, Juan P. Sánchez, Senior Deputy Attorney General, do hereby certify that a true and correct copy of the foregoing Consent Petition was served via first class mail on the date noted and to the recipient(s) below:

John M. Glace, Esquire
1 East Main Street
Shiremanstown, PA 17011
jmglace@aol.com

Date: May 13, 2019

By:

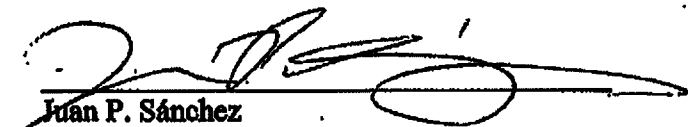

Juan P. Sánchez
Senior Deputy Attorney General
PA Attorney ID #206839
Office of Attorney General
Bureau of Consumer Protection
15th Floor, Strawberry Square
Harrisburg, PA 17120
Telephone: (717) 787-9707

EXHIBIT B

Case# 2016-04311-51 Received at Cumberland County Prothonotary on 12/23/2019 10:37 AM. Fee = \$0.00. The filer certifies that this filing complies with the provisions of the Public Access Policy of the Unified Judicial System of Pennsylvania: Case Records of the Appellate and Trial Courts that require filing confidential information and documents differently than non-confidential information and documents.

BILL OF SALE

DATE:

STOCK #:

BUYER INFORMATION:

SELLER INFORMATION:

MT 209 PA 17552

New Kingstown Auto LLC
1168 W. Trindle Rd.
Mechanicsburg, Pa 17055

HOME: WORK: CELL: COUNTY:
D.L./STATE ID: STATE: PA EXP. DATE:
D.O.B.: 9-10-20

SALESPERSON:

VEHICLE INFORMATION:

☐ NEW ☒ USED

YEAR: 2004
MAKE: JEEP
MODEL: Liberty
VIN:

MILEAGE: EXEMPT
BODY: S.W
COLOR 1: SILVER
COLOR 2: GRAY

STYLE:
CYL: 6
TRANS: AT
STOCK:

(description of prior use)

TRADE-IN INFORMATION:

YEAR: COLOR:
MAKE: MILEAGE:
MODEL: BODY:
VIN:

BALANCE OWED TO:

BALANCE OWED: \$ GOOD THROUGH:
ALLOWANCE: \$ QUOTED BY:

INSURANCE INFORMATION:

COMPANY: ATTACHED
AGENT:
PHONE: POLICY #:

LIEN HOLDER INFORMATION:

COMPANY:
STREET: NA
CITY, STATE, ZIP:

REMARKS:

VEHICLE WARRANTY (CHECK AS APPLICABLE)

☐ Express Warranty. This Vehicle is sold with a: warranty (describe). A full copy of the warranty may be obtained from

☒ No Express Warranty. This Vehicle is sold with no express warranty.

☒ No Express or Implied Warranties. AS IS: THIS MOTOR VEHICLE IS SOLD AS IS WITHOUT ANY WARRANTY EITHER EXPRESSED OR IMPLIED. THE PURCHASER WILL BEAR THE ENTIRE EXPENSE OF REPAIRING OR CORRECTING ANY DEFECTS THAT PRESENTLY EXIST OR THAT MAY OCCUR IN THE VEHICLE.

This agreement and the related documents that Buyer signs contemporaneously with this agreement, including any installment sale contract, contain the entire agreement between Buyer and Seller and cancels and supersedes any prior agreement including oral agreements relating to the sale of the motor vehicle. Any change to this agreement must be in writing and Seller must sign it.

Buyer hereby declares that he/she is of legal age to transact business and that no unfair inducement has been made by Seller. This contract is not binding upon either the Seller or the Buyer until signed by an authorized Seller representative. YOU, THE BUYER, MAY CANCEL THIS CONTRACT AND RECEIVE A FULL REFUND ANY TIME BEFORE RECEIPT OF A COPY OF THIS CONTRACT SIGNED BY AN AUTHORIZED SELLER REPRESENTATIVE BY GIVING WRITTEN NOTICE OF CANCELLATION TO SELLER.

Buyer acknowledges receipt of a completed copy of this agreement at the time he/she signed it. If this is an "AS IS" sale (see above), Buyer acknowledges that Seller brought the required window sticker to his/her attention before Buyer signed this agreement or an installment sale contract.

SETTLEMENT

VEHICLE PRICE 2000

Document Prep Fee: 50

SUBTOTAL

Sales Tax:

Title: Lien: Reg.:

County: Duplicate Reg.:

Transfer: Increase: Tag:

Replacement: Messenger Fee:

Notary Fee: Filing Fee

Payoff on Trade-In: N/A

TOTAL DUE 2050

TRADE-IN ALLOWANCE

DEPOSIT 500 -

CASH DOWN PAYMENT 1

CASH DOWN PAYMENT 2

TOTAL CREDIT 500 -

☒ Cash ☐ Finance BALANCE DUE 1550

If financed, please see your installment sale contract for information about finance charge, insurance, and terms of payment (other than cash).

CONTRACTUAL DISCLOSURE STATEMENT (USED VEHICLES ONLY) The information you see on the window form for this vehicle is part of this contract. Information on the window form overrides any contrary provisions in the contract of sale. Spanish Translation: Guía para compradores de vehículos usados. La información que ve en el formulario de la ventanilla para este vehículo forma parte del presente contrato. La información del formulario de la ventanilla deja sin efecto toda disposición en contrario contenida en el contrato de venta.

Accepted by Authorized Representative of Seller

Date

Buyer

Date

Co-Buyer

Date

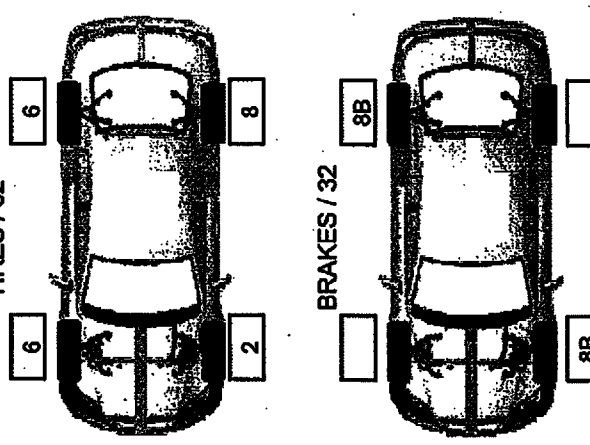
EXHIBIT C

10/06/2019

Vehicle Inspection Report / Work Order

CUSTOMER INFORMATION	
Name	
Address	
County	MOUNT JOY, PA 17552
Fleet #	Lancaster

VEHICLE INFORMATION	
Vehicle Year / Make / Model	2004 / Jeep / Liberty
VIN	1J4GL58K04W188041
Emissions #	IM-97355802
License Plate #	
Insurance Company	PROGRESSIVE HOME INS
Vehicle Color	
Insurance Exp. Date	11-23-2019
Old Odometer	144636
Safety Sticker #	Vehicle Failed
Current Odometer	152883
Safety Sticker Exp. Date	

TIRES / BRAKES	
	

INSPECTION POINTS	
Body	Y
Brakes	F
Bumper	Y
Doors & Latches	Y
Exhaust System	Y
Frame	Y
Fuel System	Y
Headlights	Y
Horn	Y
Mirror	Y
Other	Y
Other Glazing	Y
Other Lights, Wiring & Switches	Y
Registration	Y
Road Test	Y
Signal Lights	Y
Steering	Y
Subframe	Y
Suspension	Y
Tires & Wheels	F
Windshield	Y
Windshield Wipers	Y

COMMENTS	
LF Tires=2 Near minimum of 2/32. Change soon. Both rear calipers seized Felt front tire dry rott	

Compuspections, LLC	JEFFERY DUNBAR
JIFFY LUBE # 154 - AB91	Technician Name
4007 JONESTOWN RD, HARRISBURG, PA 17109	Technician Signature

EXHIBIT D



COMMONWEALTH OF PENNSYLVANIA

OFFICE OF ATTORNEY GENERAL

JOSH SHAPIRO
ATTORNEY GENERAL

OFFICE OF ATTORNEY GENERAL
Bureau of Consumer Protection—Harrisburg Office
15th Floor, Strawberry Square
Harrisburg, Pennsylvania 17120
Telephone: 717-787-9707

November 8, 2019

BY EMAIL AND FIRST CLASS MAIL

John M. Glace, Esquire
1 East Main Street
Shiremanstown, PA 17011
jmglace@aol.com

Re: *Commonwealth v. New Kingstown, LLC, et al.*;
Cumberland County Court of Common Pleas No.: 2016-04311

Dear Attorney Glace:

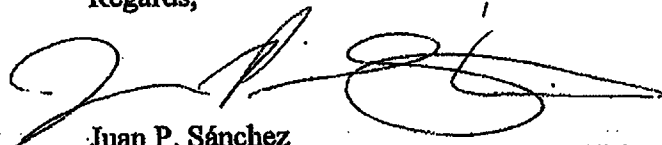
As you are aware, Section III.C.5 of the Consent Petition provides that in "the event that Defendants fail to make any one payment within twenty (20) days after the due date of the payment, or if Defendants are late in making any two (2) payments by more than five (5) days, regardless of whether they are consecutive or non-consecutive, the Commonwealth, at its sole option, may accelerate the money ordered to be paid and declare the entire unpaid balance immediately due and owing." Consent Petition, p. 10.

Defendants have both failed to make three (3) monthly payments and has made more than two (2) payments more than five (5) days after the due date. The September 2019 payment was received more than five (5) days late and to date the Commonwealth has not received the October 2019 payment, which is now more than five (5) days past due. Despite the Commonwealth's repeated requests for your clients to provide verification of the money orders they alleges were given to the Commonwealth, your clients have failed to provide proof of payment for the June, July and August 2019 payments owed to the Commonwealth. Plainly stated, your client has only paid \$4,500.00 out of the \$10,500.00 owed to the Commonwealth.

Pursuant to Section III.C.5 of the Consent Petition, this correspondence shall serve as written notice that the Commonwealth is accelerating the money ordered to be paid and declaring the entire unpaid balance of \$46,392.29 immediately due and owing. The Commonwealth is also demanding that Defendants immediately make full payment of the accelerated amount of \$46,392.29 within twenty (20) days of the date of this correspondence.

Failure to pay the accelerated amount of \$46,392.29 shall be deemed a violation of the Consent Petition and subject Defendants to all of the sanctions and penalties provided by the Consent Petition and otherwise by law.

Regards,

A handwritten signature in black ink, appearing to read 'Juan P. Sánchez', with a stylized, sweeping flourish extending to the right.

Juan P. Sánchez
Senior Deputy Attorney General.