

**IN THE COURT OF COMMON PLEAS OF
MONTGOMERY COUNTY, PENNSYLVANIA**

IN THE MATTER OF

COMMONWEALTH OF PENNSYLVANIA

Acting by Attorney General

JOSH SHAPIRO

Petitioner

5 Lee Brothers Corp., d/b/a

Super Gigante/

West Norriton Farmers Market

Respondent

:
:
:
: **EQUITY**
:
: **No. _____**
:
:
: **ASSURANCE OF**
: **VOLUNTARY**
: **COMPLIANCE**
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:
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Filed on Behalf of Plaintiff:

COMMONWEALTH OF
PENNSYLVANIA, OFFICE OF
ATTORNEY GENERAL

Counsel of Record for this Party:

Susan A. Apel
Senior Deputy Attorney General
P.A. I.D. No. 50597
Office of Attorney General
Bureau of Consumer Protection
1251 Waterfront Place, Mezzanine
Pittsburgh, PA 15222
(412) 565-2578

**IN THE COURT OF COMMON PLEAS OF
MONTGOMERY COUNTY, PENNSYLVANIA**

IN THE MATTER OF :
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COMMONWEALTH OF PENNSYLVANIA :
Acting by Attorney General : **EQUITY**
JOSH SHAPIRO :
 : **No.** _____
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Petitioner :
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v. :
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Super Gigante/ :
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Respondent :
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ASSURANCE OF VOLUNTARY COMPLIANCE

AND NOW, comes the Commonwealth of Pennsylvania, Office of Attorney General, by Attorney General Josh Shapiro (hereinafter the “Petitioner” or “Commonwealth”), which has caused an investigation to be made into the business practices of 5 Lee Brothers Corp., d/b/a Super Gigante/West Norriton Farmer’s Market (hereinafter “Respondent”), pursuant to the Pennsylvania *Unfair Trade Practices and Consumer Protection Law*, 73 P.S. § 201-1, *et seq.* (hereinafter the “Consumer Protection Law”), and states the following:

WHEREAS, Petitioner is the Commonwealth of Pennsylvania, Office of Attorney General, by Attorney General Josh Shapiro, with offices located at 1251 Waterfront Place, Pittsburgh PA 15222;

WHEREAS, 5 Lee Bros. Corp. is a Pennsylvania corporation, registered with the Pennsylvania Department of State, Bureau of Corporations and Charitable Organizations:

Corporations Section (“Corporation Bureau”), with a business address of 1930 W. Main Street, Norristown PA 19403-3175;

WHEREAS, “Super Gigante” and “West Norriton Farmers Market” are registered as fictitious names by Respondent with the Corporations Bureau;

WHEREAS, Respondent has at all times relevant and material hereto, engaged in trade and commerce within the Commonwealth of Pennsylvania through the operation of a supermarket under the business name “West Norriton Farmer’s Market” and “Super Gigante” located at 1930 West Main Street, Norristown PA 19403;

WHEREAS, based on its investigation, the Commonwealth contends that Respondent has engaged in conduct in violation of the Consumer Protection Law and the Pennsylvania *Price Gouging Act*, 73 P.S. §§ 232.1, *et seq.* (hereinafter the “Price Gouging Law”);

WHEREAS, this Assurance of Voluntary Compliance is accepted by the Commonwealth pursuant to Section 201-5 of the Consumer Protection Law in lieu of commencing statutory proceedings under Section 201-4 thereof;

WHEREAS, this Assurance of Voluntary Compliance does not constitute an approval by the Commonwealth of any of the Respondent’s former or current business practices;

WHEREAS, the Respondent agrees to cease and desist from violating the Consumer Protection Law and the Price Gouging Law and desires to comply with the civil laws of the Commonwealth; and

WHEREAS, the Effective Date of this Assurance of Voluntary Compliance shall be the date upon which it is executed by both parties.

SETTLEMENT TERMS

NOW THEREFORE, Respondent agrees for itself, its successors, assigns, officers, partners, agents, representatives, employees, and all other persons acting on its behalf, jointly or individually, directly or indirectly or through any corporate or business device, as follows:

I. Facts and Legal Violations

A. Under the Price Gouging Law, during and within 30 days of the termination of a state of disaster emergency declared by the Governor pursuant to the provisions of 35 Pa. C.S § 7301(c) (relating to general authority of the Governor), it is unlawful for any party within the chain of distribution of consumer goods or services or both to sell or offer to sell goods or services within the geographic region that is the subject of the declared emergency for an amount which represents an unconscionably excessive price. 73 P.S. § 232.4(a).

B. In addition, it is *prima facie* evidence that a price is unconscionably excessive if, during and within thirty (30) days of the termination of a state of disaster emergency, any party within the chain of distribution charges a price that exceeds an amount equal to or in excess of twenty percent (20%) of the average price at which the same or similar consumer goods or services were obtainable in the affected area during the last seven (7) days immediately prior to the declared state of emergency. 73 P.S. § 232.4(b).

C. On March 6, 2020, the Governor of Pennsylvania declared a State of Disaster Emergency for the Commonwealth of Pennsylvania related to the COVID-19 pandemic.

D. As of the Effective Date of this Assurance of Voluntary Compliance, a State of Disaster Emergency is currently in place for the Commonwealth of Pennsylvania.

E. Respondent is involved in the chain of distribution of, among other things, cases of drinking water (containing 24 bottles per case). Respondent sells cases of bottled water to consumers primarily for personal, family or household purposes.

F. For a one-day period during the State of Disaster Emergency, as declared on March 6, 2020, Respondent sold or offered to sell cases of bottled water for an unconscionably excessive price in violation of the Price Gouging Law and the Consumer Protection Law.

G. In particular, on March 12, 2020, on at least 142 occasions, Respondent charged a price for cases of bottled water in excess of twenty percent (20%) of the average price Respondent offered the same product in the seven (7) days prior to March 6, 2020. Respondent's average price for a case of bottled water in the seven (7) days prior to March 6, 2020 was \$4.99 (the "Pre-Emergency Price"), and the price charged for such 142 cases of water on March 12 was \$9.99 per case.

H. Respondent reduced the price of the bottled water back to the pre-emergency price by the commencement of business on March 13, 2020, and posted notices in the supermarket for several days thereafter offering to refund consumers \$5.00 per case of water purchased at the \$9.99 price.

I. The Commonwealth alleges that by reason of the aforesaid conduct, Respondent's methods, acts or practices constitute violations of the Price Gouging Law, including, but not limited to, Section 232.4(a), which prohibits any party within the chain of distribution of consumer goods or services or both to sell or offer to sell the goods or services within the geographic region that is the subject of the declared emergency for an amount which represents an unconscionably excessive price. 73 P.S. § 232.4(a).

J. The Commonwealth alleges that by reason of the aforesaid conduct, Respondent's aforesaid methods, acts or practices constitute unfair methods of competition and unfair acts or practices in the conduct of trade or commerce prohibited by Section 201-3 of the Consumer Protection Law, as defined by Section 201-2 of said Law, including, but not limited to, the following:

1. Section 201-2(4)(v), which prohibits representing that goods or services have a sponsorship, approval, characteristics, ingredients, uses, benefits or qualities that they do not have or that a person has a sponsorship, approval, status, affiliation or connection that he does not have. 73 P.S. § 201-2(4)(v); and

2. Section 201-2(4)(xxi), which prohibits engaging in any other fraudulent or deceptive conduct which creates a likelihood of confusion or of misunderstanding. 73 P.S. § 201-2(4)(xxi). 73 P.S. §§ 201-3 and 201-2(4)(v) and(xxi).

II. Injunctive Relief & Affirmative Relief

A. Respondent SHALL NOT, in the future, engage in conduct which violates the Consumer Protection Law and any future amendments thereto, including, but not limited to:

1. Respondent SHALL NOT represent that goods or services have a sponsorship, approval, characteristics, ingredients, uses, benefits or qualities that they do not have or that a person has a sponsorship, approval, status, affiliation or connection that he does not have as prohibited by the Consumer Protection Law at 73 P.S. § 201-2(4)(v); and

2. Respondent SHALL NOT engage in other fraudulent or deceptive conduct which creates a likelihood of confusion or of misunderstanding as prohibited by the Consumer Protection Law at 73 P.S. § 201-2(4)(xxi).

73 P.S. §§ 201-3 and 201-2(4)(v) and(xxi).

B. Respondent SHALL NOT, in the future, engage in conduct which violates the Price Gouging Law and any future amendments thereto, including, but not limited to, selling or offering to sell the goods or services within the geographic region that is the subject of the declared emergency for an amount which represents an unconscionably excessive price as prohibited by the Price Gouging Law at 73 P.S. § 232.4(a).

C. Respondent SHALL fully comply with any and all provisions of the Consumer Protection Law, including any amendments thereto, and is permanently enjoined from any violation thereof.

D. Respondent SHALL fully comply with any and all provisions of the Price Gouging Law, including any amendments thereto, and is permanently enjoined from any violation thereof.

III. Monetary Relief

A. Respondent hereby agrees to pay the amount of One Thousand Nine Hundred and Thirty and 25/100 Dollars (\$1, 930.25) (hereinafter “Monetary Payment”) to the Commonwealth of Pennsylvania, Office of Attorney General, to be allocated as follows:

1. **Civil Penalties** - The sum of One Thousand Four Hundred Twenty and 00/100 Dollars (\$1,420) as Civil Penalties (“Civil Penalties”) to be distributed to the Commonwealth of Pennsylvania, Treasury Department.

2. **Public Protection and Education Purposes** - The sum of Five hundred ten and 25/100 dollars (\$510.25) (“Costs”) to be distributed to the Commonwealth of Pennsylvania, Office of Attorney General, to be deposited in an interest-bearing account from which both principal and interest shall be expended for public protection and education purposes.

B. **Payment Terms**- Respondent agrees to pay the above-referenced amounts toward Civil Penalties and Costs in accordance with the terms of Paragraph III(A) herein, by certified check, cashier’s check, or money order, made payable to the “Commonwealth of Pennsylvania, Office of Attorney General,” and forwarded to the Office of Attorney General, 1251 Waterfront Plaza, Pittsburgh PA 15222 upon Respondent’s execution of the Assurance of Voluntary Compliance.

C. **Restitution** - Respondent acknowledges that there may be consumers who have been harmed by the conduct cited herein; and, Respondent agrees to pay restitution (hereinafter “Restitution”), as follows:

1. Respondent shall pay Restitution, consistent with Section 201-4.1 of the Consumer Protection Law, to any consumer who submits a claim to the Commonwealth within sixty (60) days of the Effective Date of this Assurance of Voluntary Compliance, and who provides adequate documentation which supports his or her claim and/or complaint in the form of a receipt showing purchase of a 24-bottle case of water from Respondent for more than the Pre-Emergency Price of \$4.99 from between March 6, 2020 and the Effective Date of this Assurance of Voluntary Compliance.

2. Respondent agrees that Restitution shall be equal to the amount the consumer paid for such case of bottled water purchased from Respondent and the Pre-Emergency Price of \$4.99.

3. Any claim submitted by a consumer that is postmarked by the sixtieth (60th) day after the Effective Date of the Assurance of Voluntary Compliance shall be deemed timely.

4. The determination of whether a consumer shall receive Restitution hereunder, the determination of the amount of any such Restitution paid to such consumer, and the manner of payment shall be within the sole discretion of the Commonwealth.

5. After receiving and evaluating the claims by consumers for Restitution, the Commonwealth will provide Respondent with a written demand for Restitution, after which Respondent shall have ten (10) days from the date of demand to issue a check made payable to the "Commonwealth of Pennsylvania, Office of Attorney General," and forward to the Office of Attorney General, 1251

Waterfront Plaza, Pittsburgh PA 15222, to then be disbursed by the Commonwealth to individual consumers.

IV. Miscellaneous Terms

A. Time shall be of the essence with regards to Respondent's obligations hereunder.

B. Respondent certifies that James Yi, President of 5 Lee Brothers Corp., is authorized to enter into this Assurance of Voluntary Compliance on behalf of Respondent and his signature on this document binds the Respondent to all terms contained herein.

C. Respondent further agrees to execute and deliver all authorizations, documents and instruments which are necessary to carry out the terms and conditions of this Assurance of Voluntary Compliance, whether required prior to, contemporaneous with or subsequent to the execution of this Assurance of Voluntary Compliance.

D. The Court of Common Pleas of Montgomery County, Pennsylvania shall have jurisdiction over the subject matter of this Assurance of Voluntary Compliance and over Respondent for purposes of enforcement of this Assurance of Voluntary Compliance, violation of which shall be deemed a violation of an injunction issued pursuant to Section 201-4 of the Consumer Protection Law, so that a violation of this Assurance of Voluntary Compliance shall provide a jurisdictional basis for the Attorney General of this Commonwealth to request the Court to impose penalties as provided in the Consumer Protection Law and any other equitable relief which the Court deems necessary or proper.

E. Nothing contained herein shall be construed to waive any individual right of action by any consumer, person or entity, or any local, state, federal or other governmental entity.

F. Any failure of the Commonwealth to exercise any of its rights under this Assurance of Voluntary Compliance shall not constitute a waiver of its rights hereunder.

G. If any clause, provision or section of this Assurance of Voluntary Compliance 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 Assurance of Voluntary Compliance and the Assurance of Voluntary Compliance shall be construed and enforced as if such illegal, invalid or unenforceable clause, section or other provision had not been contained herein.

H. This Assurance of Voluntary Compliance 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 Assurance of Voluntary Compliance may be delivered by facsimile or electronic transmission with the intent that it or they shall constitute an original counterpart hereof.

I. Respondent understands and agrees that if its officers and/or agents have made any false statements in or related to this Assurance of Voluntary Compliance, that such statement is made pursuant to and under penalty of 18 P.S. § 4904 relating to unsworn falsifications to authorities.

J. Respondent shall not represent or imply that the Commonwealth acquiesces in, or approves of, Respondent's past or current business practices, efforts to

improve its practices, or any future practices that Respondent may adopt or consider adopting.

K. This Assurance of Voluntary Compliance 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, express or implied. There are no representations, arrangements, or understandings, oral or written, between the parties relating to the subject matter of this Assurance of Voluntary Compliance that are not fully expressed herein or attached hereto. Each party specifically warrants that this Assurance of Voluntary Compliance is executed without reliance upon any statement or representation by any other party hereto, except as expressly stated herein.

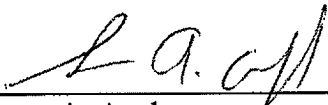
L. The terms of this Assurance of Voluntary Compliance are effective upon execution of the agreement by both parties.

WHEREFORE, Respondent agrees by the signing of this Assurance of Voluntary Compliance to abide by each and every one of the aforementioned provisions and that breach of any of the terms of this Assurance of Voluntary Compliance shall be sufficient warrant for the Commonwealth of Pennsylvania to petition the Court, to assess penalties including but not limited to civil and other penalties as provided for under Sections 201-8, 201-9 and 201-9.1 of the Consumer Protection Law, and to order any other relief which the Court deems necessary or proper in accordance with the Consumer Protection Law.

WITNESSETH, that the parties, intending to be legally bound, have hereto set their hands and seals:

FOR THE PETITIONER:
COMMONWEALTH OF PENNSYLVANIA
JOSH SHAPIRO
Attorney General

Date: 8/6/20

By: 

Susan A. Apel
Senior Deputy Attorney General
Attorney ID #50597
Office of Attorney General
1251 Waterfront Plaza
Pittsburgh, Pennsylvania 15222
(412) 565-2578

FOR THE RESPONDENT:
5 Lee Brothers Corp.

Date: _____

By: _____

James Yi
President

Date: _____

By: _____

Kevin T. Kim, Esq. (Kyong)
Attorney ID # _____
1135 W. Cheltenham Avenue
Suite 208
Melrose Park, PA 19027
Attorney for Respondent

FOR THE PETITIONER:
COMMONWEALTH OF PENNSYLVANIA
JOSH SHAPIRO
Attorney General

Date: _____

By: _____

Susan A. Apel
Senior Deputy Attorney General
Attorney ID #50597
Office of Attorney General
1251 Waterfront Plaza
Pittsburgh, Pennsylvania 15222
(412) 565-2578

Date: 7/31/2020

By: _____

FOR THE RESPONDENT:
5 Lee Brothers Corp.

James Yi
President

Date: 8/3/2020

By: _____

Kevin T. Kim, Esq. (Kyong)
Attorney ID #66484
1135 W. Cheltenham Avenue
Suite 208
Melrose Park, PA 19027
Attorney for Respondent

RESOLUTION

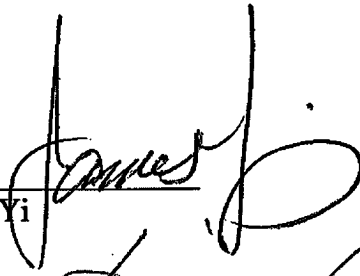
**UNANIMOUS RESOLUTION OF THE SHAREHOLDERS AND DIRECTORS
OF 5 LEE BROTHERS CORP.**

All shareholders and directors of 5 Lee Brothers Corp., a Pennsylvania corporation, hereby approve the following resolution:

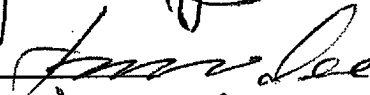
RESOLVED, that the President of 5 Lee Brothers Corp., James Yi, is hereby authorized and empowered on behalf of 5 Lee Brothers Corp., to enter into an Assurance of Voluntary Compliance with the Commonwealth of Pennsylvania, Office of Attorney General, upon the terms and conditions contained in the proposed Assurance of Voluntary Compliance attached hereto and made a part hereof.

Filed with the records of 5 Lee Brothers Corp., this 31st day of July,


2020.




James Yi



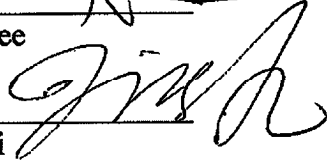
Jason Lee



Sun Yi



Soon Lee



John Yi

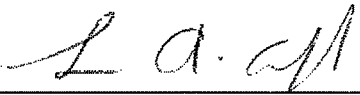
**IN THE COURT OF COMMON PLEAS OF
MONTGOMERY COUNTY, PENNSYLVANIA**

IN THE MATTER OF	:	
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COMMONWEALTH OF PENNSYLVANIA	:	
Acting by Attorney General	:	EQUITY
JOSH SHAPIRO	:	
	:	No. _____
Petitioner	:	
	:	
v.	:	
	:	
5 Lee Brothers Corp., d/b/a	:	
Super Gigante/	:	
West Norriton Farmers Market	:	
	:	
Respondent	:	
	:	

CERTIFICATE OF SERVICE

I, Susan A. Apel, hereby certify that a true and correct copy of the foregoing Assurance of Voluntary Compliance was served by email on August 7, 2020 upon the below:

Kevin T. Kim, Esq.
1135 W. Cheltenham Avenue
Suite 208
Melrose Park PA 19027
kevinkimesquire@gmail.com



Susan A. Apel