

MELISSA L. KAPLAN
Deputy Attorney General
Attorney I.D. #320744
THOMAS J. BLESSINGTON
Senior Deputy Attorney General
Attorney I.D. #36674
Office of Attorney General
1600 Arch Street, Third Floor
Philadelphia, Pennsylvania 19103
215-560-2414
Attorneys for Plaintiff

IN THE COURT OF COMMON PLEAS OF PHILADELPHIA COUNTY
FIRST JUDICIAL DISTRICT OF PENNSYLVANIA
CIVIL TRIAL DIVISION

COMMONWEALTH OF PENNSYLVANIA :
By Attorney General JOSH SHAPIRO :

Plaintiff, :

v. :

THS GROUP LLC d/b/a TOTAL HOME :
PROTECTION f/d/b/a TOTAL HOME SHIELD :
a/k/a TOTAL HOMESHIELD HOME :
PROTECTION :

and :

DAVID SERUYA, a/k/a DAVID JOHNSON, :
Individually and as an Employee :
and/or Officer and/or Owner of :
THS GROUP LLC d/b/a TOTAL HOME :
PROTECTION f/d/b/a TOTAL HOME SHIELD :
a/k/a TOTAL HOMESHIELD HOME :
PROTECTION :

and :

RONALD SERUYA, Individually and as an :
Employee and/or Member and/or Partner and/or :
Officer and/or Owner of :
THS GROUP LLC d/b/a TOTAL HOME :
PROTECTION f/d/b/a TOTAL HOME SHIELD :
a/k/a TOTAL HOMESHIELD HOME :
PROTECTION, :

Defendants. :

March 2020

No. 00433

CIVIL ACTION - EQUITY

_____ :

**CONSENT PETITION FOR FINAL DECREE
REGARDING DEFENDANTS THS GROUP LLC AND DAVID SERUYA**

AND NOW, comes the Commonwealth of Pennsylvania, Office of Attorney General, by Attorney General Josh Shapiro (herein the “Commonwealth” and/or “Plaintiff”), which initiated an action by filing a Complaint in the Court of Common Pleas of Philadelphia County on or about March 5, 2020 (herein the “Complaint”) against Defendants pursuant to the Pennsylvania *Unfair Trade Practices and Consumer Protection Law*, 73 P.S. §201-1, et seq. (herein the “Consumer Protection Law”) to obtain injunctive relief, civil penalties, restitution for consumers and costs against Defendant, THS Group LLC d/b/a Total Home Protection f/d/b/a Total Home Shield a/k/a Total Homeshield Home Protection, (herein “THS Group” and/or “Defendant” and/or collectively as one of the “THS Defendants”), Defendant, David Seruya a/k/a David Jonson, Individually and as an Employee and/or Officer and/or Owner of THS Group LLC d/b/a Total Home Protection f/d/b/a Total Home Shield a/k/a Total Homeshield Home Protection, (herein “David Seruya” and/or “Defendant” and/or collectively as one of the “THS Defendants”). In its Complaint, the Commonwealth alleged that Defendants engaged in trade and commerce within Pennsylvania by advertising and offering home improvement service contracts to consumers nationwide, and stated the following:

WHEREAS, Plaintiff is the Commonwealth of Pennsylvania, Office of Attorney General, by Attorney General Josh Shapiro, with offices located at 1600 Arch Street, Third Floor, Philadelphia, Pennsylvania 19103.

WHEREAS, Defendant THS Group, is a Pennsylvania Limited Liability Company which previously had a registered address of 325 Chestnut Street, Suite 800 PMB 3038, Philadelphia, Pennsylvania 19106.

WHEREAS, Defendant David Seruya is an adult individual presently or formerly residing at 914 Avenue K, Brooklyn, New York 11230-4114.

WHEREAS, Defendant Ronald Seruya is an adult individual presently or formerly residing at 1 Ross Court, Oakhurst New Jersey 07755.

WHEREAS, within ten (10) business days of the Effective Date of this Consent Petition for Final Decree (herein "Consent Petition"), the Commonwealth will file a Praecipe to Discontinue with regards to Defendant Ronald Seruya with prejudice.

WHEREAS, the Commonwealth's Complaint, which is incorporated herein by reference, alleges, among other things, that the THS Defendants:

1. Engaged in trade and commerce within the Commonwealth of Pennsylvania through the advertisement and sale of home warranty service contracts (hereinafter "Service Contracts") for the repair or replacement of household systems and appliances to consumers nationwide;
2. Either failed to provide or provided little of the services promised to consumers;
3. Took advantage of unsuspecting consumers in numerous ways, including, but not limited to, by falsely advertising and misrepresenting the coverage and services available under the Service Contracts, engaging in a host of deceptive conduct to deny covered claims, offering inadequate cash buy-outs in lieu of repairing or replacing covered parts or systems, providing misleading and false information to consumers about THS' cancellation policy, utilizing Service Contracts that are inherently confusing and deceptive, failing to resolve claims in a timely manner, and otherwise failing to comply with written guarantees;

4. Continued to solicit new customers for home warranty Service Contracts at a point in time when they knew or should have known that they would not be providing the services and benefits as represented; and

5. Profited from the aforementioned misconduct while consumers were left paying hundreds to thousands of dollars in out-of-pocket costs to replace or repair the very same systems and appliances that should have been covered under the Service Contracts.

WHEREAS, the Complaint alleges that the methods, acts or practices of the THS Defendants constituted violations of the Consumer Protection Law.

WHEREAS, the THS Defendants have not yet filed an Answer to the Commonwealth's Complaint, but if they were to so file, they would deny allegations in the Commonwealth's Complaint.

WHEREAS, the THS Defendants wish to comply 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 of Common Pleas of Philadelphia County with respect to the above captioned matter.

WHEREAS, upon approval of the Court of Common Pleas of Philadelphia County, the parties will accept this Consent Petition as a settlement in lieu of proceeding to trial.

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

SETTLEMENT TERMS

NOW THEREFORE, the THS Defendants agree for themselves, their successors, assigns, officers, partners, agents, representatives, employees, and all other persons acting on their behalf, jointly or individually, directly or indirectly, or through any corporate or business device, as follows:

I. The above stated recitals are incorporated herein and made part hereof as though fully set forth.

II. Definitions

For the purposes of this Consent Petition, the following terms shall have the following definitions. To the greatest extent possible, all terms listed below are defined by reference to the Consumer Protection Law and Fictitious Names Act, as applicable. Any other terms not explicitly defined herein shall also be interpreted by reference to the Consumer Protection Law, as applicable, in the event of any dispute between the parties regarding the meaning of such undefined terms. The terms of this Consent Petition shall govern any conduct of any of the THS Defendants involving a Pennsylvania consumer or any product or service offered by any of the THS Defendants to a Pennsylvania consumer or that in any way affects a Pennsylvania consumer. The terms of this Consent Petition shall also govern any conduct of any of the THS Defendants involving any other consumers regardless of where they reside or any product or service offered by any of the THS Defendants to such other consumers or that in any way affects such other consumers, if the THS Defendants are conducting business from a location in Pennsylvania.

A. "AAA" shall be defined as the American Arbitration Association.

B. "Advertisement" shall be defined as any statement advertising, promoting or referencing a good and/or service, in a newspaper, periodical, pamphlet, circular, billboard, sign,

letterhead, business card, brochure, flyer, booklet, or other printed materials or in announcements to the public on radio, television, or Internet, including but not limited to those posted circulated via e-mail or posted on websites and social media. This definition shall apply to any other forms of the word "Advertisement."

C. "Clear and Conspicuous" or "Clearly and Conspicuously" shall mean that:

1. When referring to a written statement, disclosure, or any other information, means that such statement, disclosure, or other information, by whatever medium communicated, (a) is readily noticeable and readable (b) is in readily understandable language and syntax (c) is in a type size, font, appearance and location sufficiently noticeable for a person to read and comprehend it, in a print that contrasts with the background against which it appears, (d) is in contrasting type, font or color to the surrounding text of the same size, and (e) is visually distinguished from the surrounding text of the same size by a border, symbols or other marks. If such statement, disclosure, or other information is necessary as a modification, explanation or clarification to other information with which it is presented, it must be presented in Direct Proximity to the information it modifies in a manner that is readily noticeable and understandable.

2. As to statements, disclosures, or any other information made or presented orally, "Clear and Conspicuous" or "Clearly and Conspicuously" shall mean that such statements, disclosures, or other information shall be delivered (a) in readily understandable language

and syntax and (b) in a volume, audibility, and cadence sufficient for the consumer to hear, comprehend, and understand the entire statement, disclosure or such other information.

3. As to statements, disclosures, or any other information made or presented on the Internet or other web-based applications or services, in addition to the other requirements stated herein, "Clear and Conspicuous" or "Clearly and Conspicuously" shall mean that such statements, disclosures, or any other information shall be placed in locations on the same webpage if doing so allows for the statement, disclosure, or other information to be readily noticeable and understandable. Such statement, disclosure, or other information shall be (a) sufficiently prominent and readily seen, (b) in text that can be easily read and understood by the reader, and (c) placed on the webpage in a position in Direct Proximity to the offer, term or limitation.

4. Further, a disclosure of information is not Clear and Conspicuous if, among other things, it is obscured by the background against which it appears, or the net impression of the statement, disclosure, or other information is inconsistent with, contrary to, or in mitigation of the disclosure itself. Statements of limitation must be set out in Direct Proximity with the benefits described such that they are readily noticeable, readable and understandable or with appropriate captions of such prominence that statements of limitation are not minimized,

rendered obscure, presented in an ambiguous fashion, or intermingled with the context of the statement so as to be confusing or misleading.

D. “Defendant THS Group” shall refer to Defendant THS Group LLC including any and all owners, officers, directors, employees, representatives, or agents working for or on behalf of Defendant THS Group.

E. “Direct Proximity” means disclosed immediately beneath, beside, or adjacent to a triggering offer or term, or, with regards to a website, in a manner which does not require the consumer to scroll down to a different place or page on the website in order to view what is to be in Direct Proximity to the triggering offer or term, unless a hyperlink directing the consumer to what is to be in Direct Proximity is Clearly and Conspicuously displayed immediately beneath, beside or adjacent to the triggering offer or term. In the case of advertisements disseminated verbally or through audible means, the disclosure shall be made as soon as practicable after the triggering representation.

F. The “Effective Date” of this Consent Petition shall mean the date the Court of Common Pleas of Philadelphia County approves the terms of this Consent Petition and a Final Decree, Judgment or Order of that Court is entered thereupon.

G. “Fictitious Names Act” or “FNA” shall mean the Pennsylvania *Fictitious Names Act*, 54 Pa.C.S.A. § 301, *et seq.*

H. “Automatic Renewal Plan(s)” means a provision in the THS Defendants’ Service Contracts by which the THS Defendants automatically renew the consumer’s Service Contract at the end of a fixed period unless the consumer cancels or instructs that the plan should not be renewed.

I. “Material Limitation(s)”, “Material Fact(s)”, “Material Term(s)”, “Material Condition(s)”, or any similar phrase or combination of words or phrases is any limitation, fact, condition or term that, if known and understood by the consumer, would have been significant and would have affected the decision-making process.

J. “Service Contract” or “THP Service Contract” refers to any and all contracts or agreements by which any of the Defendants agree to provide goods and/or services to persons or entities, including, but not limited to, those under which any of the Defendants have agreed to repair or replace any goods or provide any services related in any way to household systems and appliances.

K. “THP Advertisements” shall be defined as any and all Advertisements specifically relating to any goods and/or services offered by any of the THS Defendants, including but not limited to those posted on Defendant THS Group’s websites, in Defendant THS Group’s booklets, and via Defendant THS Group’s E-mail Advertisements.

III. **Injunctive and Affirmative Relief and Required Business Practices as to the THS Defendants**

A. **General**

1. The THS Defendants shall fully comply with the Consumer Protection Law and FNA, including any amendments thereto, and shall be permanently enjoined from any violation thereof.
2. The THS Defendants shall provide written notice to the Commonwealth of Pennsylvania of any plans to : (a) relocate any home warranty related business entity owned, operated, and/or managed by any of the THS Defendants to the Commonwealth of Pennsylvania; (b) form any home warranty related business entity to be owned, operated and/or

managed by any of the THS Defendants in the Commonwealth of Pennsylvania; and/or (c) advertise, offer for sale, or sell any type of home warranty related service or good to consumers in the Commonwealth of Pennsylvania, along with a description of such service or good to be offered to consumers. Such written notice shall be provided at least thirty (30) days prior to the date of any such activity

3.The THS Defendants shall, in writing and within thirty (30) days of the Effective Date of this Consent Petition, identify to the Commonwealth of Pennsylvania all business entities that any of the THS Defendants currently own, operate and/or manage, in the Commonwealth of Pennsylvania, along with a description of any such service or good said business entities offer to consumers in the Commonwealth of Pennsylvania.

4.The THS Defendants shall not request or direct another individual to create, form, or be involved with the creation of any home warranty related business entity in the name of someone other than that of any of the THS Defendants, in the Commonwealth of Pennsylvania, if such actions are being taken to conceal that the THS Defendants are the actual owners, managers or operators of such business or involved in the business, whether the interest is held in the name of any of the THS Defendants or in the name of another for the benefit of any of the THS Defendants.

5. The THS Defendants shall not misrepresent the nature, corporate structure, or ownership of any business that any of the THS Defendants are actively involved with or request when conducting trade or commerce within the Commonwealth of Pennsylvania, or otherwise instruct anyone to do so on any of their behalves, to any third party, including but not limited to banks, payment processors, ISOs, and consumer agencies, and the THS Defendants shall not engage in tactics or conduct which attempt to evade the fraud and risk monitoring programs established by financing institutions, banks, ISOs, or the operators of any payment system, and the THS Defendants shall not provide false information and/or documentation to any third party in connection with any business that any of the THS Defendants are actively involved with.

6. The THS Defendants shall not instruct their employees, representatives or agents to engage in conduct which would violate the Consumer Protection law, and shall create policies regarding same and shall use reasonable commercial efforts to enforce those policies.

7. If the Commonwealth determines that the THS Defendants have failed to comply with any of the terms of this Consent Petition, and if, in the sole discretion of the Office of Attorney General, the failure to comply does not create an emergency requiring immediate action, the Office of Attorney General will notify said Defendants in writing of such failure to comply, and Defendants shall then have thirty (30) days from receipt

of such written notice to provide a written response to the determination of the Office of Attorney General that there has been a failure to comply. Upon reasonable request of said Defendants, which request must be made at the time of Defendants' written response to the Office of Attorney General, a representative of the Attorney General will meet with said Defendants by phone or in the Office of the Attorney General within fifteen (15) days of receipt by the Office of Attorney General of Defendants' written response, to discuss the determination that there has been a failure to comply. Any corrective or remedial action taken by said Defendants shall be considered by the Commonwealth in determining whether further enforcement is necessary. If a violation is cured, the Commonwealth agrees to take into consideration that fact in determining how to proceed. However, under no circumstances will curing a violation preclude the Commonwealth from bringing an action.

B. Advertisement of Service Contracts

8. In all Advertisements for Service Contracts, including all THP Advertisements, the THS Defendants shall Clearly and Conspicuously disclose that the product being offered is a Service Contract.

9. The THS Defendants shall not utilize Advertisements for Service Contracts that contradict the terms of the Service Contracts themselves. In all Advertisements for Service Contracts, including all THP

Advertisements, the THS Defendants shall not represent that Service Contracts will provide for repair or replacement of a home's major systems or appliances that fail due to normal wear and tear unless they Clearly and Conspicuously disclose in Direct Proximity to such statement that, in lieu of repair or replacement of the covered system and/or appliance, they reserve the right to offer cash back in an amount that is based on the depreciated value of the system or appliance, which may be significantly less than the retail cost to repair or replace the covered system and/or appliance.

10. In all Advertisements for Service Contracts, including all THP Advertisements, the THS Defendants shall not represent that Service Contracts will provide for repair or replacement of a home's major systems or appliances that fail due to normal wear and tear unless they Clearly and Conspicuously disclose in Direct Proximity to such statement limitations of liability and/or exclusions from coverage.
11. In the event that the THS Defendants take into account the age, make or model of a covered item in determining the amount to be provided for repair or replacement of said covered item, or that there are limits on the number of times service can be requested for the repair or replacement of a covered item, then, in all Advertisements for Service Contracts, including all THP Advertisements, the THS Defendants shall not misrepresent that Service Contracts will provide for the repair or replacement of covered items regardless of age, make

or model, nor shall they misrepresent that there is no limit on the number of times service can be requested.

12. In all Advertisements for Service Contracts, including all THP Advertisements, the THS Defendants shall not represent that they use licensed, prescreened and insured technicians unless they actually use licensed, prescreened and insured technicians, and shall make all reasonable commercial efforts to make sure that technician licenses and insurance policies are active at the time any such technician is assigned to a THP consumer's claim.
13. In all THP Advertisements, the THS Defendants shall not represent that consumers who purchase Service Contracts will not have to search the internet for repair persons unless that statement is true and consumers who purchase Service Contracts will not have to search the internet for repair persons in order to have their claims serviced within the time frame set forth in the THS Defendants' Service Contracts, or if no time is stated therein, within a reasonable period of time
14. On their website, the THS Defendants shall not represent that there is no limit on the number of times service can be requested unless, they Clearly and Conspicuously disclose in Direct Proximity to such statement that there are maximum payouts for certain systems and appliances, and caps or maximums per contract terms.
15. In all Advertisements for Service Contracts, including all THP Advertisements, the THS Defendants shall not advertise the cost of

typical replacement of specified appliances unless the Advertisement Clearly and Conspicuously discloses that any amount of payment made to the consumer in lieu of replacement for an appliance that cannot be repaired will not exceed the depreciated value thereof provided the method used to determine the depreciated value thereof is clearly and conspicuously displayed in the Service Contract.

16. In all Advertisements for Service Contracts, including all THP Advertisements, the THS Defendants shall Clearly and Conspicuously disclose that all systems and/or appliances must be well maintained to be covered under a THP Service Contract, and that THP has the right to request “maintenance records” and/or similar documents from consumers under certain circumstances and those circumstances must be Clearly and Conspicuously disclosed.
17. The THS Defendants shall Clearly and Conspicuously disclose they are using stock photographs when and if stock photographs are used in connection with any type of advertisement or testimonial, including but not limited to consumer and contractor reviews.
18. The THS Defendants shall not arrange for, incentivize, post or condone the posting of fake reviews or testimonials regarding Defendant THS Group and shall make good faith efforts to remove from their own websites all reviews and posts which they know are false or fake.

19. The THS Defendants shall not advertise a thirty (30) day money back guarantee unless they: (a) Clearly and Conspicuously disclose the date upon which the thirty day window begins; (b) do not start the thirty day window until the consumer has received, either by hard copy or via e-mail, the actual Service Contract; and (c) provide a full refund to a consumer of all amounts paid by that consumer to the THS Defendants in the event of cancellation within the stated window of time.
20. The THS Defendants shall make changes to all THS Advertisements, reviews and posts as necessary to comply with the above provisions within ninety (90) days from the Effective Date of this Consent Petition.

C. Sales Practices

21. The THS Defendants shall create and use best efforts to enforce policies prohibiting employees from making false or misleading statements to induce consumers to purchase Service Contracts.
22. The THS Defendants shall create and use best efforts to enforce policies prohibiting employees from misrepresenting to consumers the terms and conditions of a Service Contract.
23. The THS Defendants shall not represent to consumers that certain systems and/or appliances will be covered under a Service Contract unless they Clearly and Conspicuously disclose in Direct Proximity to

such statements limitations and exclusions on coverage for said systems and/or appliances.

24. The THS Defendants shall not represent to consumers that they have technicians in a specified service area unless they actually have completed and approved applications from or arrangements with technicians who service the specified area and reasonably believe that such technicians will be able to competently service future claims.

25. If, at the time the consumer enrolls in a Service Contract the THS Defendants do not have any qualified technicians within a reasonable service area of where the covered residence is located, the THS Defendants shall inform the consumer of this fact, and that the consumer may be asked to locate their own technician to service a claim.

26. The THS Defendants shall Clearly and Conspicuously disclose to consumers the procedure for claim approval and reimbursement in the event that the consumer is advised to find their own technician to service a claim, including but not limited to limitations on the reimbursement the THS Defendants are required to provide to the consumer in that event.

27. The THS Defendants shall Clearly and Conspicuously disclose to consumers any limitations or contingencies regarding any "bonus" months that are offered to the consumer as an incentive for enrollment in a Service Contract.

28. For all enrollments which take place over the telephone, the THS Defendants shall record such telephone calls and maintain the recording of the entire transaction, including the sales representations, evidencing the consumer's clear, unambiguous, and unequivocal agreement to consent to payment of a specified amount for enrollment in a Service Contract. The recorded calls should demonstrate that the Defendants have Clearly and Conspicuously disclosed Material Limitations to coverage and liability in the Service Contracts, and (1) the date upon which the thirty (30) day money back guarantee period will end; (2) the total price of each Service Contract that the consumer is enrolling in; (3) refund, reimbursement, or cancellation policies; (4) the process which the consumer must use to cancel; and (5) any costs to the consumer associated with the cancellation of the Service Contract. From the Effective Date of this Consent Petition, forward, the THS Defendants shall hold and maintain all such recordings for a period of three (3) years, and if the Commonwealth requests or the consumer requests a copy of such recording, the THS Defendants shall provide a copy of the recording to the Commonwealth or the consumer within thirty (30) days of the request.

D. Service Contract Terms and Conditions

29. The THS Defendants shall, in the terms and conditions of their Service Contracts, Clearly and Conspicuously disclose any limitation of

liability and/or exclusion from coverage in Direct Proximity to the statements regarding coverage-

30. The THS Defendants shall, in the terms and conditions of their Service Contracts, Clearly and Conspicuously disclose: (a) that they reserve the right to offer cash back, in an amount which may be less than the retail cost to repair or replace the covered system, component or appliance, in lieu of repair or replacement of the system and/or appliance in need of repair, based on depreciation which may be significant; and (b) that in the event the THP Defendants offer cash back in lieu of repair or replacement, they will provide written notice to the consumer of the basis for the amount of payment within thirty (30) days. Such disclosures shall be in Direct Proximity to the terms related to repair or replacement of covered systems, components or appliances.
31. The THS Defendants shall, in the terms and conditions of their Service Contracts, Clearly and Conspicuously disclose the method by which any pro-rated refunds will be calculated upon cancellation of the Service Contract, and whether such calculation involves the deduction of costs incurred by the THS Defendants in connection with said consumer's Service Contract.
32. The THS Defendants shall, in the terms and conditions of their Service Contracts, Clearly and Conspicuously identify, disclose and describe the types of costs which could be deducted from a refund otherwise owed to a consumer who cancels their Service Contract. Such

disclosures shall be in Direct Proximity to the terms related to the calculation of refunds.

33. To the extent that the THS Defendants may require the submission of maintenance records or similar documentation in certain circumstances, the THS Defendants shall, in the terms and conditions of their Service Contracts, Clearly and Conspicuously set forth the requirements related to the submission of any such maintenance records and/or documentation in Direct Proximity to the terms related to such requirements.

34. The THS Defendants shall not, in the terms and conditions of their Service Contracts, make any references to arbitration before the AAA unless the THS Defendants are in good standing with the AAA, in so far as being in “good standing” is required by the AAA.

35. The THS Defendants shall not, in the terms and conditions of their Service Contracts, include reference to limitations on liability that contradict the Consumer Protection Law, particularly as to the consumer’s rights to recovery in the event of a dispute.

E. Renewals

36. The THS Defendants’ Service Contracts shall not contain any type of Automatic Renewal Plan unless said Service Contract provides for a renewal option which complies with the requirements set forth in Restore Online Shoppers’ Confidence Act, 15 U.S.C. § 8403.

F. Assignment of Technicians

37. The THS Defendants shall take all reasonable efforts to avoid assigning a particular technician to service a consumer's claim if said consumer has previously complained about that particular technician and/or requested that particular technician not be assigned to any future claims, so long as another technician is available to timely service the consumer's claim.
38. The THS Defendants shall take all reasonable efforts to ensure that any technician that they assign to service a consumer's claim, to the best of their knowledge and based upon diligent and good faith inquiries, possesses all requisite licenses, registrations and insurance.
39. The THS Defendants shall take all reasonable efforts to ensure that any technician that they assign to service a consumer's claim, to the best of their knowledge and based on their diligent and good faith inquiries, is available, qualified and able to service the assigned claim.

G. Claim Evaluation Process

40. The THS Defendants shall make all reasonable efforts to avoid placing consumers calling about time sensitive matters, including but not limited to those that involve phone calls to place a claim, check the status of a claim, obtain authorization for the repair or replacement of a system or appliance, or obtain authorization to find a technician to evaluate a system or appliance in need of repair or replacement when and if the THS Defendants are unable to assign a technician within the time frame set forth in the Service Contract on hold for more than ten

(10) minutes during a single phone call. In the event the THS Defendants cannot answer the call with a live person within ten (10) minutes, they shall provide the option to receive a call back by a live person, i.e., not a call back that reroutes to being put on hold, within a reasonable period not to exceed one (1) business day.

41. The THS Defendants shall make all reasonable efforts to avoid placing service technicians calling about time sensitive matters, including but not limited to those calling to report the diagnosis of a consumer's system or appliance in need of repair or replacement, or obtain authorization or approval to repair or replace said system or appliance, on hold for more than ten (10) minutes during a single phone call. In the event the THS Defendants cannot answer the call with a live person within ten (10) minutes, they shall provide the option to receive a call back by a live person, i.e., not a call back that reroutes to being put on hold, within a reasonable period not to exceed two (2) business days, however, if by the time the THS Defendants return the service technician's phone call the technician has already left the consumer's residence, and: (a) the system or appliance at issue is determined to be covered under the Service Contract and is to be repaired rather than replaced; or (b) an additional follow up visit is required by a service technician in order for the THS Defendants to determine if the system or appliance is covered, then the THS Defendants shall be responsible for paying the service technician

directly for any further service visits that may be required in order to determine coverage for said claim and/or complete the covered repair for said claim, if the need for the subsequent service visit can reasonably be attributable to the THS Defendants inability to answer the initial call from the service technician within ten (10) minutes.

42. The THS Defendants shall not unreasonably impede or delay the effective operation of the claims authorization process and procedures for consumers or service technicians and shall employ such processes and procedures to facilitate the effective operation of the claims authorization process as efficiently as reasonably possible.

43. If a servicing technician determines that a specified test is not necessary to diagnose or evaluate the unit or appliance at issue, then the THS Defendants shall not require that test be performed as a pre-requisite to possible claim coverage unless the THS Defendants cover the cost of any such test.

44. The THS Defendants shall not engage in unfair and deceptive conduct to deny coverage for a system or appliance, and shall comply with all obligations under the Service Contracts.

45. The THS Defendants shall not deny coverage for a system or appliance on the basis of rust or corrosion if they determine that the rust and/or corrosion was not a cause of the otherwise covered failure. A diagnosis from a servicing technician that any rust or corrosion observed upon visual inspection was secondary to a covered failure

shall suffice as a reasonable basis upon which the THS Defendants shall accept coverage for said claim or, at their own expense and within a reasonable time period, arrange for a second opinion from a qualified, approved, licensed and insured technician.

46. The THS Defendants shall not deny coverage for a consumer's system or appliance solely based upon a photograph of the system or appliance if what is depicted in said photograph is entirely unrelated to the diagnosis provided by the servicing technician.

47. The THS Defendants shall not deny a consumer's claim upon a basis not provided for in the Service Contract.

48. If the THS Defendants deny a consumer's claim, they shall promptly inform the consumer of such denial and the specific basis for such denial by telephone and/or in writing using best commercial efforts to do so within three (3) business days of the denial

a. Such communication shall include:

i. The technician's diagnosis of the system and/or appliance for which the claim was submitted, including any available supporting documents, whether electronic or otherwise,

ii. The specific basis for the denial including a citation to the provision of the Service Contract allowing such denial; and

- iii. Notification that the consumer may pursue mediation as set forth in the Service Contract so long as the consumer is not denied the opportunity to meaningfully mediate their claim and submit additional documentation and records as part of the mediation process.
- b. If the THS Defendants inform the consumer of the denial by telephone, the THS Defendants shall, during that telephone call, offer to send the consumer a follow-up written notice within forty-eight (48) hours of that telephone call and said notice shall include all of the information set forth in paragraph 48(a) above, and, to the extent that actual documentation (e.g., diagnosis forms, invoices) was provided by the servicing technician to the THS Defendants in connection with the diagnosis of the system and/or appliance, true and correct copies of such documentation shall be included in the written notice given to the consumer.
- c. If the THS Defendants attempt to reach the consumer by telephone to inform the consumer of the denial but are unable to actually speak to the consumer directly (i.e., consumer does not answer phone, does not return voicemail, phone number is out of service etc.), within five

(5) days from the date of denial, the THS Defendants shall then send the consumer a written notice of the denial within forty-eight (48) hours thereafter that includes the information set forth under paragraph 48(b) above.

49. In connection with mediation, the THS Defendants shall provide notices to consumers in compliance with the mediation provision of the Service Contract. These notices shall include the basis for the decision and any supporting documents used to rely on the decision.

H. Payments in Lieu of Replacement

50. The THS Defendants shall Clearly and Conspicuously disclose in the Service Contract the specific method by which they determine the amount of payment(s) offered to consumers in lieu of repair or replacement of specified covered systems and/or appliances.

51. In the event that the THS Defendants advise a consumer over the phone that they, in lieu of repairing or replacing the consumer's covered system or appliance a payment is being made, the THS Defendants shall ask the consumer if they would like written confirmation of this decision and the amount to be paid to the consumer in writing and if the consumer indicates that they do want to receive the offer in writing, the THS Defendants shall provide the consumer with written notice of which shall include an explanation and the amount to be provided.

52. Within thirty (30) days of providing a consumer with written notification of the final offer of payment in lieu of repair or replacement of a covered system or appliance, the THS Defendants shall provide the consumer with such payment.
53. The THS Defendants shall not condition providing services, providing replacement or making payment in lieu of repair or replacement of a covered system or appliance, as required by the THS Defendants' Service Contracts, upon the consumer's removal of a negative posting or review online. For the avoidance of doubt, the requirement set forth in the preceding sentence shall not apply if payment offered to the consumer is a voluntary "good will" payment not required under the Service Contract.
54. If the THS Defendants offer any type of voluntary payment to a consumer after denying coverage for a consumer's claim, including the types of payments that such Defendants currently refer to as "good will" payments or that are designed to retain a consumer as a customer, the procedures set forth herein for claim denials must still be followed.

I. Payment to Technicians

55. In the event that a consumer or a technician notifies the THS Defendants, orally or in writing, that the technician is seeking payment from the THS Defendants for a covered repair, the THS Defendants shall make payment to the technician of the approved amount, so long as such payment is, in fact, owed to the technician by the THS

Defendants, within the time period agreed to by the technician and the THS Defendants, and if no such time period has been agreed upon, than within a reasonable period of time not to exceed thirty (30) days.

J. Charges and Chargebacks

56. The THS Defendants shall not charge a consumer's credit card without permission from the consumer to do so and shall only charge the credit card for the transaction(s) that the consumer has consented to.

57. The THS Defendants shall not transmit, use or charge, directly or indirectly, any consumer's financial account or credit card information for any purpose other than the purpose for which the consumer has given express informed consent.

58. None of the THS Defendants shall cite to an IP address that they know a given consumer did not use for proof that said consumer consented to the terms and conditions of a Service Contract or gave authorization for their credit card to be charged in connection with a Service Contract.

59. The THS Defendants shall not continue to charge a consumer's credit card after that consumer has cancelled their contract or agreement in accordance with the terms set forth in the Service Contract and herein.

K. Cancellations and Refunds

60. The THS Defendants shall not purposely frustrate or impede a customer's ability to cancel his or her Service Contract nor shall they

refuse to allow a consumer to cancel his or her Service Contract, provided the cancellation is made in accordance with the requirements set forth in the Service Contract and herein.

61. The THS Defendants shall allow consumers enrolled in Service Contracts to cancel their Service Contracts by submitting a written request to do so via email or by U.S. first class mail, and without requiring a consumer to call and speak to the THS Defendants to finalize or accept the cancellation.

62. For any consumer who submits a written request to cancel a Service Contract, the THS Defendants may attempt to reach the consumer by telephone before processing the cancellation. If the consumer changes his or her mind and decides not to cancel, the THS Defendants are under no obligation to cancel. If, however, the THS Defendants are unable to speak to the consumer directly by telephone within (5) business days, the THS Defendants shall process the consumer's cancellation notwithstanding the failure to reach the consumer by telephone.

63. The THS Defendants shall calculate all pro-rated refunds based upon the date of receipt of the consumer's written notice.

64. The THS Defendants shall not cancel or withdraw any offers of payment in lieu of repair or replacement of covered systems or appliances based upon that consumer's subsequent cancellation of a Service Contract.

65. The THS Defendants shall not require a consumer to remove a negative review in order to receive a pro-rated refund that is owed to the consumer based upon their cancellation of a Service Contract.
66. The THS Defendants shall not make misrepresentations or threats to consumers who attempt to cancel their Service Contracts in order to deny the consumer the right to cancel or otherwise deter the consumer from cancelling.
67. The THS Defendants shall not misrepresent any aspect of their business and the Service Contracts, including but not limited to the cancellation process, in attempt to induce consumers to retain their Service Contract.
68. The THS Defendants shall not misrepresent how future claims will be handled in an attempt to dissuade consumers from cancelling their Service Contracts.
69. The THS Defendants shall not remove "bonus" months that were offered to a consumer as an incentive to enroll in a Service Contract from the calculation of a pro-rated refund owed to a consumer who cancels their Service Contract, unless, prior to the consumer's enrollment in the Service Contract, it is Clearly and Conspicuously disclosed to the consumer that such "bonus" months will be excluded from any prorated refund in the event the Service Contract is cancelled.
70. The THS Defendants shall not impede the operation of disclosed cancellation procedures which allow a consumer to cancel their

enrollment in a Service Contract and stop recurring charges to the consumer.

71. The THS Defendants shall not create unfair or deceptive barriers to cancellation of any Service Contract.

L. Releases

72. In the event that the THS Defendants enter into any type of release with a consumer, the THS Defendants shall not interpret any such release to prohibit the consumer from disclosing information or providing documentation to law enforcement, including but not limited to the Commonwealth of Pennsylvania, Office of Attorney General.

M. Policies and Procedures

73. The THS Defendants agree to adopt and implement the following policies and procedures with respect to any Service Contracts they offer, advertise or sell to consumers, if and to the extent the below policies and procedures are not already the existing practice of Defendant THS Group:

- a. Within five (5) business days of the Effective Date of this Consent Petition, the THS Defendants shall deliver copies of this Consent Petition and the Consumer Protection Law to all of Defendant THS Group's current officers, senior management employees, and those who are responsible for creating policies regarding: customer services for, marketing, promoting, advertising, offering for sale, and/or

selling Service Contracts, addressing consumer complaints, and/or designing or maintaining Defendant THS Group's websites.

b. For a period of three (3) years following the Effective Date of this Consent Petition, the THS Defendants shall, as part of the orientation process or within five (5) business days of such persons or entities commencing employment or an applicable business relationship with Defendant THS Group, deliver copies of this Consent Petition and the Consumer Protection Law to all of Defendant THS Group's future officers, senior management, and those who are responsible for creating policies regarding: customer services for, marketing, promoting, advertising, offering for sale, and/or selling Service Contracts, addressing consumer complaints, and/or designing or maintaining Defendant THS Group's websites.

c. The THS Defendants shall maintain measures reasonably necessary to ensure that their officers, employees, representatives and agents, and all other persons or entities acting on Defendant THS Group's behalf, who interact with consumers or who are responsible for creating and implementing policies regarding: customer services, marketing, promoting, advertising, offering for sale, and/or

selling Service Contracts, addressing consumer complaints, and designing or maintaining Defendant THS Group's websites, are properly trained and are otherwise performing their duties in compliance with this Consent Petition and all applicable laws, including, but not limited to, the Consumer Protection Law. Defendant THS Group shall further adhere to a policy of disciplining, up to and including the termination of, those who are found to have not complied with the requirements of this Consent Petition.

- d. The THS Defendants shall keep for a period of three (3) years any written records of a claim that their representatives are in violation of the requirements of this Consent Petition.
- e. Unless otherwise noted herein, within sixty (60) days after the Effective Date of this Consent Petition, the THS Defendants shall create, adopt and implement written policies and procedures reasonably expected to create continuing compliance with the terms of this Consent Petition.
- f. The THS Defendants shall maintain policies and procedures reasonably necessary to ensure consumer complaints are responded to and a good faith effort is made

to resolve such complaints in a timely manner. Such policies shall include, but are not limited to:

- i. Policies and procedures reasonably necessary to ensure that consumer complaints are logged, with such log containing the following minimum information: the name and account number (or other identifying information) of such consumer, a summary of the consumer's complaint, including, but not limited to, whether the consumer complained that the THS Defendants were unable to assign a technician to service their claim in a reasonable period of time, whether the consumer complained that the technician assigned by THS Defendants was unwilling, unqualified or unable to service the consumer's appliance or unit; whether the consumer complained about the quality of the work performed by a technician assigned by the THS Defendants; whether the consumer complained that the THS Defendants did not provide a reimbursement, refund, or otherwise promised payment within a stated time period; whether the consumer complained about the THS Defendants' claims authorization process; whether the consumer

complained about the THS Defendants customer service process; whether the consumer complained about the amount of money offered in lieu of repair or replacement of covered items; whether the consumer complained about the cancellation process or the basis for the calculation of a prorated refund; whether the consumer complained about unauthorized charges by the THS Defendants; and any action taken by the THS Defendants to resolve that complaint and to determine the representative(s) involved in such complaint if applicable, and a summary of action, if any, taken by the THS Defendants with regards to such representative(s). The THS Defendants shall retain all such records and logs for a minimum of three (3) years; and

- ii. Policies and procedures necessary to generally ensure that consumer complaints to the THS

Defendants are answered in a timely manner.

- g. If at any time after the Effective Date of this Consent Petition, the THS Defendants are advised by a consumer, the Commonwealth or through any other means, that a representative has (i) failed to adopt, comply with and/or

implement Defendant THS Group's policies and procedures; and/or (ii) failed to comply with this Consent Petition, the THS Defendants shall promptly notify said representative of the deficiency and further warn that punitive action will be taken unless the representative complies with Defendant THS Group's policies and procedures and this Consent Petition moving forward.

- h. Upon a second offense, the THS Defendants shall take and document punitive action, up to and including termination of any representative determined to have failed to comply with Defendant THS Group's policies and procedures and this Consent Petition.
- i. The THS Defendants shall retain all records of punitive actions taken against non-complying representatives for a minimum of three (3) years.

IV. Monetary Relief

- a. **Required Payment** - Judgment is hereby entered against Defendants THS Group and David Seruya, jointly and severally, and in favor of the Commonwealth in the total amount of Seven Hundred Fifty Thousand and 00/100 Dollars (\$750,000.00), and said Defendants are responsible for and shall pay to the Commonwealth said amount (herein "Required Payment"), which shall be allocated as follows:

- i. **Restitution** - The amount of Two Hundred Thousand and 00/100 Dollars (\$200,000.00) shall be allocated as restitution pursuant to Section 201-4.1 of

the Consumer Protection Law, 73 P.S. § 201-4.1, for consumers who filed complaints with the Pennsylvania Office of Attorney General, Bureau of Consumer Protection (herein "Bureau") as determined by the Pennsylvania Office of Attorney General (herein "Restitution"). The amount, timing and manner of any distribution of Restitution to consumers by the Office of Attorney General shall be left to the sole discretion of the Commonwealth;

ii. Civil Penalties - The amount of One Hundred Fifty Thousand and 00/100 Dollars (\$150,000.00), (herein "Civil Penalties"), shall be allocated as civil penalties pursuant to Section 201-8(b) of the Consumer Protection Law, and shall be distributed to the Commonwealth of Pennsylvania, Treasury Department;

iii. Public Protection and Education Purposes – The amount of Two Hundred Thousand and 00/100 Dollars (\$200,000.00), (herein "Costs"), 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 in an account which shall be expended for public protection and education purposes;

iv. Additional Restitution – In addition to the amount due for Restitution as noted herein above in Section IV.a.i, the amount of Two Hundred Thousand and 00/100 (\$200,000.00), (herein "Additional Restitution") shall be allocated for any additional consumers who file complaints with the Bureau within sixty (60) days after the Effective Date of this Consent Petition, or who have previously filed complaints with this

office, and are eligible for restitution as determined by the Commonwealth. The amount, timing and manner of any distribution of Additional Restitution to consumers by the Office of Attorney General shall be left to the sole discretion of the Commonwealth. In the event that the THS Defendants' Additional Restitution payment of \$200,000.00 exceeds the amount of eligible consumer claims for Additional Restitution as determined by the Commonwealth, the remaining Additional Restitution funds shall be distributed to the Commonwealth of Pennsylvania, Office of Attorney General, and shall be deposited in an account which shall be expended for public protection and education purposes. In the event that the amount of eligible consumer claims for Additional Restitution exceeds \$200,000.00, the THS Defendants will not be required to make any additional payment towards Additional Restitution.

b. Suspended Civil Penalties – An additional amount of One Hundred Fifty Thousand and 00/100 Dollars (\$150,000.00), (herein “Suspended Civil Penalties”), shall be suspended and shall not become due and payable by the THS Defendants to the Commonwealth unless and until the Court of Common Pleas of Philadelphia County determines, that the THS Defendants have engaged in acts or practices that have violated the terms of this Consent Petition, provided the THS Defendants are provided notice and an opportunity to defend themselves in response to the filing submitted by the Commonwealth as so required by the Rules of Civil Procedure

1. Should the Suspended Civil Penalties be found to be due and payable, such payment shall become immediately due and payable by the THS

Defendants, and said Defendants acknowledge and agree that the court may enter a judgment jointly and severally against the THS Defendants for the full amount of the Suspended Civil Penalties.

2. The THS Defendants acknowledge that the requirement to pay the aforementioned Suspended Civil Penalties, resulting from a violation of any of the terms of this Consent Petition, shall be in addition to, and not in lieu of, any other sanctions that may be imposed under Section 201-8(a) of the Consumer Protection Law or any other applicable statute or rule of law, after the THS Defendants have had notice of and an opportunity to defend themselves against any such claims as required by the Pennsylvania Rules of Civil Procedure.

c. Payment Terms

- i. **Payment Schedule** – Within ten (10) days of the Effective Date of this Consent Petition, the THS Defendants agree to pay to the Commonwealth the sum of Four Hundred Thousand and 00/100 Dollars (\$400,000.00), fulfilling the obligation to pay Restitution and Additional Restitution, as set forth above. The THS Defendants shall pay the Commonwealth the remaining Three Hundred Fifty Thousand and 00/100 Dollars (\$350,000.00), for Civil Penalties and Costs, within ninety (90) days of the Effective Date of this Consent Petition.

- ii. **Form of Payment** – All payments made pursuant to this Consent Petition shall be made by certified check, cashier's check, or money order, made payable to the Commonwealth of Pennsylvania, and forwarded to the

Pennsylvania Office of Attorney General, attention: Melissa Kaplan, Deputy Attorney General, Bureau of Consumer Protection, 1600 Arch Street, Third Floor, Philadelphia, Pennsylvania 19103.

V. Miscellaneous Terms

- a. Time shall be of the essence with regards to obligations of the parties hereunder.
Nothing in this Consent Petition shall prevent or restrict the use of this Consent Petition by the Commonwealth in any action against the THS Defendants for contempt or failure to comply with any of its provisions, or in the event that the THS Defendants are alleged to be in default of any of its terms and conditions.
- b. A default on the part of the THS Defendants shall include any default or breach by Defendants David Seruya and THS Group of any of the terms or requirements of this Consent Petition.
- c. Nothing in this Consent Petition shall be construed to (i) exonerate any contempt or failure to comply with any of its provision after the Effective Date, (ii) compromise or limit the authority of the Commonwealth to initiate a proceeding for any contempt or other sanctions for failure to comply, or (iii) compromise the authority of the Court of Common Pleas of Philadelphia County or any other court of competent jurisdiction to punish as contempt any violation of this Consent Petition.
- d. Nothing in this Consent Petition shall be construed to limit the authority of the Commonwealth to protect the interests of the Commonwealth or the people of the Commonwealth of Pennsylvania.
- e. Any failure of the Commonwealth to exercise any of its rights under this Consent Petition shall not constitute a waiver of its rights hereunder.

- f. The THS 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.
- g. Defendant David Seruya, as an owner and controlling member of Defendant THS Group, hereby states that he is authorized to enter into and execute this Consent Petition on behalf of Defendant THS Group.
- h. 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.
- i. The Court of Common Pleas of Philadelphia County shall maintain jurisdiction over the subject matter of this Consent Petition and over the THS Defendants for the purpose of enforcement of this Consent Petition and/or the Final Decree or Order accompanying it.
- j. 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.
- k. The THS Defendants understand and agree that if said Defendants have made any false statement in this Consent Petition that such statement is made pursuant to and under penalty of 18 Pa.C.S.A. § 4904 relating to unsworn falsifications to authorities.

- l.** The parties stipulate that the Order of Court to be issued pursuant to this Consent Petition shall act as a permanent injunction issued under Section 201-4 of the Consumer Protection Law, and, that, subject to the specific terms and conditions of this Consent Petition, breach of this Consent Petition or of the Order shall be sufficient cause for the Commonwealth, through the Office of Attorney General, to seek penalties as provided in Section 201-8(a) of the Consumer Protection Law or any other relief as the Court shall determine.
- m.** This Consent Petition sets forth all of the promises, covenants, agreements, conditions and understandings between the Plaintiff, Commonwealth of Pennsylvania and the THS Defendants, and supersedes all prior and contemporaneous agreements, understandings, inducements or conditions, express or implied, relating to the subject matter of this Consent Petition. There are no representations, arrangements, or understandings, oral or written, between the parties hereto relating to the subject matter of this Consent Petition that are not fully expressed herein or attached hereto. Each said 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. Defendants state and acknowledge that they have had the representation, advice and counsel of an attorney of their choosing regarding the negotiation and execution of this Consent Petition.
- n.** The parties hereto further acknowledge and agree that this Consent Petition is subject to and contingent upon it being approved by the Court of Common Pleas of Philadelphia County.

- o. If any clause, provision or section of this Consent Petition shall, for any reason, be held illegal, invalid or unenforceable by any court of competent jurisdiction, such illegality, invalidity or unenforceability shall not affect any other clause, provision or section of this Consent Petition and the Consent Petition shall be construed and enforced as if such illegal, invalid or unenforceable clause, section or other provision had not been contained herein.
- p. The THS Defendants shall not represent or imply that the Commonwealth acquiesces to, or approves of, the THS Defendants' past or current business practices, efforts to improve their practices, or any future practices that the THS Defendants may adopt or consider adopting.

WHEREFORE, without trial or adjudication of the facts or law herein between the parties to this Consent Petition, Defendants David Seruya and THS Group agree to the signing of this Consent Petition and this Court hereby orders that Defendants David Seruya and THS Group shall be permanently enjoined from breaching any and all of the aforementioned provisions, and this Consent Petition is hereby entered as an Order of the Court and resolves any and all civil claims under the Consumer Protection Law, between the Commonwealth of Pennsylvania, by its Attorney General, and Defendants David Seruya and THS Group arising from the allegations in the aforementioned Complaint, which occurred prior to the Effective Date of this Consent Petition, except insofar as any such claims are expressly reserved herein.

Signatures on following pages.

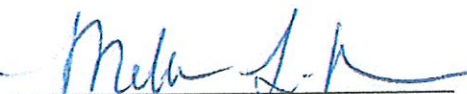
WHEREFORE, intending to be legally bound, the parties have hereto set their hands
and seals.

FOR THE PETITIONER:


COMMONWEALTH OF PENNSYLVANIA
OFFICE OF ATTORNEY GENERAL

JOSH SHAPIRO
Attorney General

Date: 11/17/2021

By: 
Melissa L. Kaplan
Deputy Attorney General
PA Attorney I.D. No. 320744
1600 Arch Street, Third Floor
Philadelphia, Pennsylvania 19103
Telephone: (215) 560-2444
Facsimile: (215) 560 2494

Date: 12-8-2021

By: 
Thomas J. Blessington
Senior Deputy Attorney General
PA Attorney I.D. #36674
1600 Arch Street, Third Floor
Philadelphia, Pennsylvania 19103
Telephone: (215) 560-2444
Facsimile: (215) 560 2494

FOR DEFENDANTS:

THS GROUP, LLC

Date: 9/14/2021

By:



David Seruya
Owner of THS Group LLC

DAVID SERUYA

Date: 9/14/2021



David Seruya, Individually and as
Owner of THS Group LLC

RESOLUTION

**RESOLUTION OF THE CONTROLLING MEMBERS
OF THS GROUP LLC**

The Controlling Members of THS Group, LLC, met on the 14 day of September, 2021, and approved the following resolution:

RESOLVED, that David Seruya, as a member of THS Group, LLC, is hereby authorized and empowered on behalf of THS Group LLC to enter into a Consent Petition for Final Decree, with the Commonwealth of Pennsylvania, Office of Attorney General, in the case of *Commonwealth v. THS Group LLC, et al.*, Court of Common Pleas, Philadelphia County, No. 2020-00433, upon the terms and conditions contained in the proposed Consent Petition for Final Decree attached hereto and made a part hereof.

Filed with and attested to by the Managing Member of the Limited Liability Company,
this 14 day of September, 2021.



Managing Member