

**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. :

OMEGA VEHICLE SERVICES, LLC, and :
d/b/a DELTA AUTO PROTECT :
1735 Market Street, Suite 3750 :
Philadelphia, Pennsylvania 19103 :

and :

CHARLES SERUYA, Individually and as :
Member and Manager of OMEGA VEHICLE :
SERVICES, LLC, and d/b/a DELTA AUTO :
PROTECT :
1 Ross Court :
Oakhurst, New Jersey 07755 :

Defendants :

February Term, 2020

No. 01337

CIVIL ACTION – EQUITY

200201337-Comm Of Pa Vs Seruya Etal



ORDER AND ADJUDICATION OF DEFAULT JUDGMENT AND FINAL DECREE

AND NOW, this 12th day of September, 2022, upon default of Defendant

Omega Vehicle Services, LLC, and d/b/a Delta Auto Protect (hereinafter “Omega Vehicle Services” and/or “Defendant” and/or collectively as one of the “Defendants”) and Defendant Charles Seruya, Member and Manager of Omega Vehicle Services (hereinafter “Seruya” and/or “Defendant Seruya” and/or collectively as one of the “Defendants”), and upon consideration of the pleadings, this Court makes the following:

FINDINGS OF FACT

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1. At all times relevant and material hereto, Defendant Omega Vehicle Services and Defendant Seruya engaged in trade and commerce within the Commonwealth of Pennsylvania by advertising and selling vehicle service and repair coverage (hereinafter “VSCs”) to thousands of consumers in multiple states, including Pennsylvania.

2. Defendants failed to deliver goods or services pursuant to the terms and conditions of the VSCs as advertised and agreed upon by Defendants.

3. Defendants failed to authorize covered repairs and wrongfully denied covered claims; authorized some claims but failed to pay repair shops for covered repairs and/or failed to reimburse consumers for their out-of-pocket costs; failed to accept or respond to claims and inquiries by consumers and repair shops, as needed in the normal course of business; failed to refund consumers for contract cancellations in accordance with the terms of Defendants’ written guarantees and cancellation policies; and conditioned reimbursement and/or refunds upon the consumer’s agreement to withdraw negative reviews about Defendants.

4. On September 24, 2014, Defendant Omega Vehicle Services registered as a Pennsylvania limited liability company with the Pennsylvania Department of State, Bureau of Corporations and Charitable Organizations: Corporations Section (hereinafter “Corporations Bureau”).

5. Defendant Charles Seruya is registered with the Corporations Bureau as Member of Defendant Omega Vehicle Services.

6. According to the Corporations Bureau, the “virtual” address of 1735 Market Street, Suite 3750, Philadelphia, Pennsylvania 19103 is the only registered address for Defendant Omega Vehicle Services in Pennsylvania.

7. On October 2, 2014, Defendants registered the fictitious name “Delta Auto



Protect” (hereinafter “Delta Auto” or “Delta”) with the Corporations Bureau using the registered address of 1800 John F. Kennedy Boulevard, Suite 300, Philadelphia, Pennsylvania 19103.

8. Delta’s Philadelphia location is also a “virtual office suite.”

9. Defendant Omega Vehicle Services is listed by the Corporations Bureau as the Owner of Delta Auto.

10. Defendant Seruya held himself out to consumers as “President” of Delta Auto.

11. Defendants also conducted Delta Auto’s business from two (2) other Pennsylvania addresses:

a) 600 Grant Street, 49th Floor, Pittsburgh, Pennsylvania, 15219;¹ and

b) 600 Eagleview Boulevard, Suite 300, Exton, Pennsylvania, 19341.

12. On the “Benefits of Extended Auto Warranty” page of the Delta Auto website, Defendants Seruya and Omega Vehicle Services advertised Delta’s Philadelphia and Exton locations as Delta Auto offices.

13. In Defendant Seruya’s capacity as President of Delta Auto and as a Member of Omega Vehicle Services from 2014 to the present date, Defendant Seruya approved, endorsed, formulated, ratified, directed, controlled, and/or participated in the day-to-day operations of Defendant Omega Vehicle Services and under the registered fictitious name “Delta Auto Protect.”

14. The unlawful acts and practices complained of in the Commonwealth’s Complaint were carried out pursuant to Defendant Seruya’s direction and/or control.

15. Many consumers state that they became aware of Defendants’ VSCs through

¹ In late August 2019, Defendants changed the virtual business address for Delta Auto from Philadelphia, Pennsylvania to Pittsburgh, Pennsylvania, and began conducting business out of a co-working facility named ProSuites 2 located at 600 Grant Street, Floor 49, Pittsburgh, Pennsylvania 15219. On September 27, 2019, Defendants filed a “Statement or Certificate of Change of Registered Office for Domestic Business Corporation” for Defendant Omega Vehicle Services with the Corporations Bureau.

advertisements offered online, and all communication with Defendants took place via the telephone or online.

16. On or about October 2019, the homepage of the Delta Auto website (hereinafter “Defendants’ website”) represented, among other things, that Delta provided “exceptional service” and “coverage authorization in a timely manner directly over the phone.”

17. At that time, Defendants’ website prominently displayed on the homepage a drop-down hyperlink on the Delta Auto homepage (hereinafter “Delta homepage”) called “*WHY CHOOSE DELTA.*”

18. When the user clicked this hyperlink, another page opened on Defendants’ website where Defendants made the following representations for the purpose of enticing consumers to purchase their products:

- a) “Top Rated customer service;”
- b) “30-day money-back guarantee;” and
- c) “24/7 Customer Service.”

19. On or about January 2020, Defendants’ website made additional, similar representations for the same purpose of enticing consumers to purchase their products, claiming that Delta Auto’s customer service team would provide service from “Start to Finish,” provide “Top Performance,” and would be “with you every step of the way.”

20. At that time, Defendants also prominently displayed the same drop-down hyperlink on the homepage called “*WHY CHOOSE DELTA.*” This time, when the user clicked the hyperlink, Defendants made additional representations:

- a) “. . . A service contract is a promise to perform (or pay for) certain repairs or services;”



- b) "Delta Auto Protect strives vigorously to satisfy our customers and repair centers;"
- c) "Our customer service team is available 24 hours a day 7 days a week;"
- d) "Delta Auto Protect . . . can navigate YOU through the claims process seamlessly;" and
- e) "OUR SERVICES" are "Easy to Work With" and offer a "Fast Response."

21. Defendants offered several VSCs, including, but not limited to, a "Diamond Premier" product which was advertised as essentially a "bumper to bumper" protection for a vehicle, as set forth in Section IV of the VSC in the Complaint.

22. The duration of the VSCs varied in term of months and maximum mileage.

23. Although the cost of VSCs varied based on the level of protection selected, many consumers agreed to premiums between One Thousand Dollars (\$1,000.00) and Three Thousand Dollars (\$3,000.00). Defendants accepted payment by check or credit card.

24. Defendants entered into VSCs with consumers in which Defendants agreed to and contracted to authorize and pay for vehicle service coverage, including repair and replacement costs for automobiles.

25. Defendants repeatedly accepted payment from consumers, but failed to honor their contractual obligations by refusing to authorize and/or provide covered vehicle service coverage to consumers who paid for said goods or services pursuant to the terms and conditions of the VSC.

26. In certain instances, Defendants authorized covered claims, but failed to pay repair shops and/or reimburse consumers.

27. Defendants' failure to pay the repair shops for covered claims, which Defendants

authorized, forced consumers to ultimately assume the outstanding balance for the repairs in order for repair shops to release the consumers' vehicles.

28. Forced to pay out-of-pocket costs to repair shops, consumers sought reimbursements from Defendants.

29. In instances where Defendants failed to approve consumer reimbursement requests, some consumers cancelled their VSCs, and requested prorated refunds, pursuant to Defendants' cancellation policy, as set forth in Section VII of the VSC in the Complaint.

30. Defendants routinely failed to refund consumers' prorated payments for contract cancellations, despite agreeing to such refunds in the consumers' written guarantees.

31. Defendants attempted to dissuade and discourage consumers and repair shops from pursuing the goods and services for which the consumers contracted and remitted payment to Defendants by making themselves unavailable to assist with claims for reimbursements, authorization and refunds.

32. Typically, consumers did not experience difficulty reaching a representative of Defendants when selecting the telephone option to "purchase" a policy.

33. However, making contact with a representative or receiving a return telephone call became difficult when the consumer attempted to request the following actions of Defendants:

- a) Approval for the prior authorization to pay for repair service of vehicle or parts due to a failure to return calls;
- b) Explanation why prior authorization request was denied;
- c) Explanation for failure to issue payment when prior authorization to pay was approved; and



d) Cancellation or refund requests.

34. Many repair shops now refuse to accept coverage from Defendants and have placed them on their “blacklist.” This is due to repair shops never receiving payment from Defendants and/or consumers being forced to make full payment and then having to seek a refund from Defendants.

35. In certain instances, repair shops and consumers would report calling Defendants over a hundred times, with no success. Ultimately, the consumers would give up and pay the repair costs out of their own pockets.

36. In at least one instance, Defendants conditioned payment upon the consumer’s agreement to withdraw negative reviews about Defendants’ business.

37. In certain instances, Defendants also requested that consumers withdraw complaints that they may have filed with the Better Business Bureau (hereinafter “BBB”) as a condition of resolution.

38. At least one thousand, five hundred and ninety-three (1,593) consumers and twenty-two (22) repair shops have filed complaints against Defendants related to VSCs that they entered into with Defendants.

39. At all times relevant and material hereto, the unlawful methods, acts and practices cited above were willfully used by Defendants.

CONCLUSIONS OF LAW

40. Defendant’s willful acts or practices cited above are declared unlawful by Section 201-3 of the Consumer Protection Law.

41. Defendants’ practices of entering into VSCs with consumers, taking consumers’ money, failing to authorize and pay for vehicle service and repair coverage as promised, and



failing to deliver goods and services by wrongfully denying said claims for covered vehicle service and repair coverage constitute unfair methods of competition and unfair acts or practices in the conduct of trade or commerce prohibited by the Consumer Protection Law, including, but not limited to, the following:

- a) Section 201-2(4)(ii) of the Consumer Protection Law, which prohibits causing likelihood of confusion or of misunderstanding as to the source, sponsorship, approval or certification of goods or services;
- b) Section 201-2(4)(v) of the Consumer Protection Law, which prohibits representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits or quantities that they do not have or that a person has sponsorship, approval, status, affiliation or connection that he does not have; and
- c) Section 201-2(4)(xxi) of the Consumer Protection Law, which prohibits engaging in any other fraudulent or deceptive conduct which creates a likelihood of confusion or of misunderstanding.

43. Defendants' practices of authorizing consumers' covered vehicle claims for vehicle service and repair coverage, but failing to pay repair shops and/or reimburse consumers pursuant to the terms and conditions of the VSCs, constitute unfair methods of competition and unfair acts or practices in the conduct of trade or commerce prohibited by the Consumer Protection Law, including, but not limited to, the following:



- a) Section 201-2(4)(ii) of the Consumer Protection Law, which prohibits causing likelihood of confusion or of misunderstanding as to the source, sponsorship, approval or certification of goods or services;
- b) Section 201-2(4)(v) of the Consumer Protection Law, which prohibits representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits or quantities that they do not have or that a person has sponsorship, approval, status, affiliation or connection that he does not have; and
- c) Section 201-2(4)(xxi) of the Consumer Protection Law, which prohibits engaging in any other fraudulent or deceptive conduct which creates a likelihood of confusion or of misunderstanding.

44. Defendants' failure to provide refunds to consumers pursuant to the parties' contract cancellation provisions set forth in the VSC Cancellation and Release Agreements constitute unfair methods of competition and unfair acts or practices in the conduct of trade or commerce prohibited by the Consumer Protection Law, including, but not limited to, the following:

- a) Section 201-2(4)(v) of the Consumer Protection Law, which prohibits representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits or quantities that they do not have or that a person has sponsorship, approval, status, affiliation or connection that he does not have;
- b) Section 201-2(4)(xiv) of the Consumer Protection Law, which prohibits failing to comply with the terms of any written guarantee or warranty given to



the buyer at, prior to or after a contract for the purchase of goods or services is made, as prohibited by; and

- c) Section 201-2(4)(xxi) of the Consumer Protection Law, which prohibits engaging in any other fraudulent or deceptive conduct which creates a likelihood of confusion or of misunderstanding.

45. Defendants' practices of misrepresenting their services while continually failing to respond to consumer and repair shop requests in the normal course of business and of attempting to discourage consumers and repair shops from pursuing goods and services by failing to be available to assist with authorization, reimbursement or refund requests 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:

- a) Section 201-2(4)(ii) of the Consumer Protection Law, which prohibits causing likelihood of confusion or of misunderstanding as to the source, sponsorship, approval or certification of goods or services;
- b) Section 201-2(4)(v) of the Consumer Protection Law, which prohibits representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits or quantities that they do not have or that a person has sponsorship, approval, status, affiliation or connection that he does not have; and
- c) Section 201-2(4)(xxi) of the Consumer Protection Law, which prohibits engaging in any other fraudulent or deceptive conduct which creates a likelihood of confusion or of misunderstanding.



46. Defendants' practices of: misrepresenting their business practices by failing to maintain a sufficient process by which consumers could submit claims; misrepresenting Delta Auto's customer service on the website and internet; misrepresenting the business's credentials by conditioning payment upon the consumer's agreement to withdraw negative reviews about Defendants' business; and requesting that consumers withdraw complaints that consumers may have filed with the BBB as a condition of resolution 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:

- a) Section 201-2(4)(ii) of the Consumer Protection Law, which prohibits causing likelihood of confusion or of misunderstanding as to the source, sponsorship, approval or certification of goods or services;
- b) Section 201-2(4)(v) of the Consumer Protection Law, which prohibits representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits or quantities that they do not have or that a person has sponsorship, approval, status, affiliation or connection that he does not have; and
- c) Section 201-2(4)(xxi) of the Consumer Protection Law, which prohibits engaging in any other fraudulent or deceptive conduct which creates a likelihood of confusion or of misunderstanding.

FINAL DECREE

AND NOW, this *17* day of *September*, 2022, it is **HEREBY ORDERED:**

A. Defendants' conduct as described herein above is in violation of the Consumer Protection Law;

B. Defendants and all other persons acting on their behalf, directly or indirectly, are permanently enjoined from engaging in trade and commerce within the Commonwealth of Pennsylvania or based in the Commonwealth of Pennsylvania which involves in any way the provision of auto warranties, vehicle service contracts, vehicle service programs, including any and all agreements to offer for sale auto warranty coverage, and engaging in trade or commerce within the Commonwealth of Pennsylvania or based in the Commonwealth of Pennsylvania, in any capacity whatsoever, including, but not limited to, as an owner, shareholder, partner, member, manager, representative, employee, principal or agent of any business or entity engaged in such trade or commerce.

C. Defendants and all other persons acting on their behalf, directly or indirectly, are permanently enjoined from violating the Consumer Protection Law and any amendments thereto, including, but not limited to:

- i. Causing likelihood of confusion or of misunderstanding as to the source, sponsorship, approval or certification of goods or services, as prohibited by Section 201-2(4)(ii) of the Consumer Protection Law;
- ii. Causing likelihood of confusion or of misunderstanding as to affiliation, connection or association with, or certification by, another, as prohibited by Section 201-2(4)(iii) of the Consumer Protection Law;



- iii. Representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits or quantities that they do not have or that a person has sponsorship, approval, status, affiliation or connection that he does not have, as prohibited by Section 201-2(4)(v) of the Consumer Protection Law;
- iv. Failing to comply with the terms of any written guarantee or warranty given to the buyer at, prior to or after a contract for the purchase of goods or services is made, as prohibited by Section 201-2(4)(xiv) of the Consumer Protection Law; and
- v. Engaging in any other fraudulent or deceptive conduct which creates a likelihood of confusion or of misunderstanding, as prohibited by Section 201-2(4)(xxi) of the Consumer Protection Law.

D. Defendants are required to pay the Commonwealth, within thirty (30) days of the date of this Order, and judgment is hereby entered against said Defendants and in favor of the Commonwealth, jointly and severally, the sum total of Two Million Five Hundred Seventy-Eight Thousand Six Hundred Thirty-Nine and 31/100 Dollars (\$2,578,639.31) which represents the following:

1. Consumer Restitution. Defendants, jointly and severally, shall pay to the Commonwealth restitution in the amount of One Million Seven Hundred Thirty-Four Thousand Three Hundred Fourteen Dollars and 53/100 Dollars (\$1,734,314.53) pursuant to § 201-4.1 of the Consumer Protection Law, to reimburse all consumers who have suffered losses as a result of the acts and business practices alleged in the

Commonwealth's complaint and any other acts or practices which violate the Consumer Protection Law. Defendants shall be liable, jointly and severally, for the payment of such restitution and judgment is hereby entered against said Defendants and in favor of the Commonwealth for such restitution in such amount. Specifically, the aforementioned restitution is to be distributed to consumers as represented in the Commonwealth's Consumer Restitution and Civil Penalties Chart (hereinafter "Consumer Restitution and Civil Penalties Chart"). The Consumer Restitution and Civil Penalties Chart is attached hereto as **Exhibit A**.

2. Business Restitution. Defendants, jointly and severally, shall pay to the Commonwealth restitution in the amount of Seventeen Thousand Six Hundred Ninety-Eight and 15/100 Dollars (\$17,698.15) pursuant to § 201-4.1 of the Consumer Protection Law, to reimburse all repair shops who have suffered losses as a result of the acts and business practices alleged in the Commonwealth's complaint and any other acts or practices which violate the Consumer Protection Law. Defendants shall be liable, jointly and severally, for the payment of such restitution and judgment is hereby entered against said Defendants and in favor of the Commonwealth for such restitution in such amount. Specifically, the aforementioned restitution is to be distributed to repair shops and/or designated representatives, as represented in the Commonwealth's Business Restitution and Civil Penalties Chart (hereinafter "Business Restitution and Civil Penalties Chart"). The Business Restitution and Civil Penalties Chart is attached hereto as **Exhibit B**.

3. Civil Penalties. Defendants, jointly and severally, shall pay to the Commonwealth civil penalties in the amount of One Thousand Dollars (\$1,000.00) for each instance of a past or present violation of the Consumer Protection Law against



consumers and repair shops, pursuant to Section 201-8(b) of the Consumer Protection Law. Defendants shall be liable, jointly and severally, for the payment of such civil penalties and judgment is hereby entered against said Defendants and in favor of the Commonwealth in the amount of Eight Hundred Twenty-Six Thousand Dollars (\$826,000.00), as civil penalties. All civil penalties shall be distributed to the Commonwealth of Pennsylvania, Department of Treasury. *See Exhibits A and B.*

3. Costs. Defendants, jointly and severally, shall pay to the Commonwealth costs in the amount of Six Hundred Twenty-Six and 63/100 Dollars (\$626.63), for reimbursement of the Commonwealth's out-of-pocket costs to litigate this matter. Defendants shall be liable, jointly and severally, for the payment of such costs and judgment is hereby entered against said Defendants and in favor of the Commonwealth for such costs in such amount.

E. The Commonwealth shall distribute the restitution to all eligible consumers and repair shops. For any consumers or repair shops who (i) refuse their restitution checks and/or (ii) do not cash their restitution checks within six (6) months of the date of the check, the restitution amounts for those consumers and repair shops shall revert back to the Commonwealth and shall be used as costs of investigation and/or for future public protection purposes. The timing and manner of any distribution of restitution to consumers shall be left to the sole discretion of the Commonwealth.

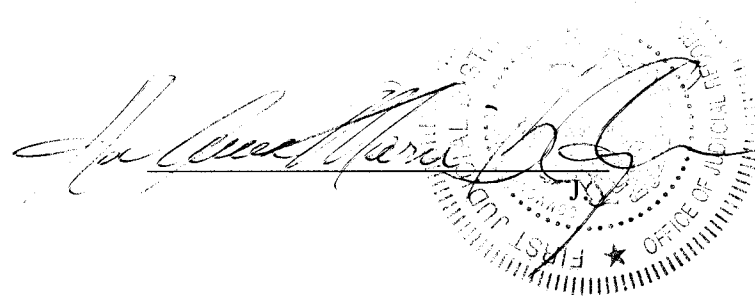
F. Pursuant to Section 201-4.1 of the Consumer Protection Law, the Commonwealth has the ability to petition this Court for additional relief for any consumer who may have been harmed by Defendants' conduct cited herein and who has not yet submitted a complaint with the Office of Attorney General or has not been included in the restitution noted in Paragraph D.1.



above (hereinafter “Additional Restitution”), if said consumer submits a complaint within sixty (60) days after the Effective Date of this Order of Judgment.

G. Defendants are directed to disgorge and forfeit all monies they have received as a result of their unfair and deceptive acts and practices as set forth in the Commonwealth’s Complaint.

H. The Commonwealth is granted such other general, equitable and/or further relief as the Court deems just and proper.

A handwritten signature in cursive script is written over a circular official seal. The seal contains the text "OFFICE OF JUDICIAL ADMINISTRATION" around the top edge, "FIRST JUDICIAL DISTRICT" around the bottom edge, and a five-pointed star in the center. The signature appears to be "John J. [unclear]".