

At a Term of the Supreme Court of the State of New York, held in and for the County of Onondaga, at the Onondaga County Courthouse, Syracuse, New York, on the 26th day of ~~March~~ April, 2007.

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF ONONDAGA

People of the State of New York, by Andrew M. Cuomo,
Attorney General of the State of New York,

Petitioner,

against

Azzam Eagle Auto, Inc. and Marwan H. Azzam
a/k/a Merwan H. Azzam, individually and as a principal
of Azzam Eagle Auto, Inc. and d/b/a Azzam Eagle
Fleet Auto Sales and Azzam Eagle Auto Sales,

Respondents.

**CONSENT ORDER
AND JUDGMENT**

Index No. 2007-1747

RJI No. 33-07-0949

Hon. James P. Murphy

UPON reading and filing the Verified Petition, dated March 23, 2007, and the annexed Stipulation and Consent, dated March 23, 2007, in which Respondents acknowledge receipt of the Verified Petition, consent to the entry of this Consent Order and Judgment, and waive notice of entry thereof,

NOW, on motion of the Attorney General, it is

PARTIES SUBJECT TO JUDGMENT

ORDERED, ADJUDGED AND DECREED that:

1. This Consent Order and Judgment shall extend to Azzam Eagle Auto, Inc. and

Marwan H. Azzam a/k/a Merwan H. Azzam, individually and as a principal of Azzam Eagle Auto, Inc. and d/b/a Azzam Eagle Fleet Auto Sales and Azzam Eagle Auto Sales, and any subsidiaries, successors and assignees, whether acting through any officers, directors, agents, servants, employees, or any other person, or through any corporate or other entity or device through which they may now or hereafter act or conduct their business (hereinafter “Respondents”); and it is further

INJUNCTIVE RELIEF

ORDERED, ADJUDGED AND DECREED that:

2. Respondents are permanently enjoined from engaging in any deceptive, fraudulent or illegal business acts or practices alleged in the Petition in violation of Executive Law § 63(12), GBL § 349, Personal Property Law (“PPL”) § 301 *et seq.*, General Obligations Law (“GOL”) § 7-401, Banking Law § 492, New York’s Vehicle and Traffic Law (“V&TL”) § 425(1), 15 NYCRR § 78.19(d) and the Truth-in-Lending Act (“TILA”)(15 U.S.C. § 1601 *et seq.*, and Regulation Z), including, but not limited to:

- a) misrepresenting to consumers that vehicle loans obtained through or provided by Respondents are interest-free and/or without finance charges.
- b) concealing finance charges by:
 - i) adding fees for “dealer installed equipment” on purchase agreements and retail installment contracts (hereinafter “RISCS”) when no such options have been purchased or installed;
 - ii) adding “document fees” or “other charges” on purchase agreements and/or RISCS that do not relate to any specific and legitimate expenses;
 - iii) inflating vehicle prices; or

- iv) charging consumers inflated amounts for NYS registration fees and failing to refund consumers the difference;
- c) failing to comply with the disclosure requirements of the Motor Vehicle Retail Instalment Sales Act (PPL § 301 *et seq.*);
- d) failing to make statutory disclosures concerning dealer fees for DMV registration and title application (15 NYCRR § 78.19(d));
- e) failing to comply with the disclosure requirements of the Truth-in-Lending Act;
- f) failing to honor warranties that they provide;
- g) failing to provide proper notice of repossession and notice of redemption rights; and
- h) failing to obtain a license to operate as a “sales finance company” as required by Article 11-B of the NYS Banking Law.

3. Respondents are permanently enjoined from financing vehicle loans. Respondents are not prohibited from arranging financing for buyers through licensed financing companies; and it is further

RESTITUTION

ORDERED, ADJUDGED AND DECREED that:

4. Respondents are liable to pay restitution in the amount of \$8,771.33 to the individuals identified below in the amount set forth opposite their names for the reason that Respondents obtained said amounts of money by fraudulent, illegal, unlawful and/or deceptive business acts and practices.

<u>Consumer's Name</u>	<u>Restitution Owed</u>
Maisie Aiken	\$50.00
Tracy Bovenzi	82.85
Odell Chestnut	120.75

Juhani Defazio	31.00
Desiree Goodwin	32.50
Nicole Kirkland	1,671.98
Toni Klock	70.75
Peter Leahy	44.75
Edward Messere	48.00
Dana Moreno	350.00
Dana Moreno	1,910.25
Fatima Naji	776.00
Lester Palmer	30.00
Billie Jo Sakran	655.00
Hector Santiago	80.25
Niosha Terea Smith	220.50
Karen Steadman	2,400.00
Amber Stoddard	5.00
Brenda Sweeting	31.00
Rayfield Taylor	82.00
Larry White	78.75

5. Respondents shall also pay restitution to any consumer who files a complaint with the Attorney General within 120 days of service of this Consent Order and Judgment with notice of entry on Respondents and who substantiates his/her claim for a refund. The Attorney General shall notify Respondents of receipt of each complaint and provide Respondents with the supporting documentation by mail. Within 20 days after mailing, Respondents shall submit any written objections to the Attorney General concerning each complaint. The Attorney General shall be the final arbiter of all disputed claims and upon either the expiration of 20 days after mailing consumer complaints to the Respondents or considering any objections submitted by Respondents, the Attorney General shall determine the amount of restitution which shall be paid by Respondents, if any, and shall notify Respondents by mail. Within 30 days of the date of the Attorney General's notice of determination, Respondents shall pay restitution in the amount specified, by certified check, to the State of New York, who will in turn, as appropriate, distribute those funds to these consumers.

6. Respondents agree to release any and all claims asserted against January Johnson arising out of the purchase and subsequent repossession of her vehicle.

7. Respondents agree to provide Khaled Doka with clear title to his vehicle after receipt of \$768. Khaled Doka shall make monthly payments of \$100 until payment is received in full.

8. Respondents agree to release any and all claims asserted against Mohammed Assabahi arising out of the purchase and subsequent return of his vehicle in exchange for return of the vehicle's title from Mohammed Assabahi; and it is further

COSTS AND PENALTIES

ORDERED, ADJUDGED AND DECREED that:

9. Respondents shall pay to the State of New York statutory costs in the amount of \$1,228.67 pursuant to CPLR § 8303(a)(6).

10. Respondents shall pay to the State of New York civil penalties in the sum of \$5,000.00 for violation of Article 22-A of the GBL; and it is further

PAYMENT OF RESTITUTION, COSTS AND PENALTIES

ORDERED, ADJUDGED AND DECREED that:

11. Upon execution of the annexed Stipulation and Consent, Respondents shall pay an initial sum of \$5,000 to the Attorney General toward restitution and costs. Thereafter, Respondents shall make two additional payments of \$5,000: the first payment shall be within 15 days of signing the Stipulation and Consent and the second payment within 30 days of signing the Stipulation and Consent. All payments shall be made by certified check, payable to the State of New York, Office of the Attorney General, and shall be delivered to the Attorney General of the State of New York at 615 Erie Boulevard West, Suite 104, Syracuse, New York, 13204. The Attorney General will in

turn, as appropriate, distribute those funds to consumers entitled to restitution under the provisions of this Consent Order and Judgment; and it is further

ENFORCEMENT

ORDERED, ADJUDGED AND DECREED that:

12. Failure to comply with any provision of this Consent Order and Judgment shall be considered a violation of this Consent Order and Judgment. Upon application of the Attorney General showing that Respondents have violated any provision of this Consent Order and Judgment, including failing to pay any amounts due as restitution and costs pursuant to paragraphs 4-8, the Court shall enter a money judgment in the amount of the unpaid balance due, plus interest at the rate of 9% per annum from the date of the violation of nonpayment, against Respondents, and the Attorney General shall have execution thereof. Upon such a violation, the Attorney General may take any and all steps available to enforce this Consent Order and Judgment.

13. In any application pursuant to paragraph 9 above, the Attorney General may request an allowance for costs under CPLR §§ 8303(a)(6) and 8303(b); and it is further

COMPLIANCE

ORDERED, ADJUDGED AND DECREED that:

14. Within 14 days of signing the annexed Stipulation and Consent, Respondents shall submit a sworn statement, certifying that the provisions of the Consent Order and Judgment have been satisfied; and it is further

PRIVATE RIGHT OF ACTION

ORDERED, ADJUDGED AND DECREED that:

15. Nothing in this Consent Order and Judgment shall be construed to deprive any person

of any right or remedy to pursue a private action against Respondents; and it is further

NOTICES AND CHANGE OF ADDRESS

ORDERED, ADJUDGED AND DECREED that:

16. Any notices, statements or other written documents required by this Consent Order and Judgment shall be provided by first-class mail to the intended recipient at the addresses set forth below, unless a different address is specified in writing by the party changing such address:

For the Petitioner, The People of the State of New York, to

ANDREW M. CUOMO
Attorney General of the State of New York
Syracuse Regional Office
615 Erie Boulevard, West, Suite 104
Syracuse, New York 13204

For the Respondents, to

Mark Wasmund, Esq.
130 Walton Street
Syracuse, New York 13202

with a copy to

Marwan Azzam
201 S. Geddes Street
Syracuse, New York 13204

Such notices, statements and documents shall be deemed to have been given upon mailing.

17. Respondents shall provide written notice to the Attorney General of any change in address within 10 days of such change; and it is further

CONTINUING JURISDICTION

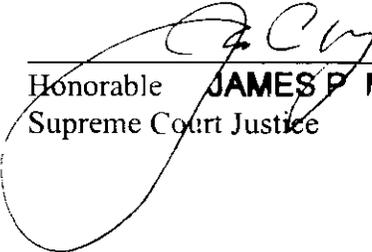
ORDERED, ADJUDGED AND DECREED that:

18. This Court shall retain jurisdiction of this action for the purpose of carrying out or

modifying the terms of this Consent Order and Judgment, or granting such further relief as the Court deems just and proper.

Dated: Syracuse, New York
~~March~~ __, 2007
April 26

ENTER:



Honorable **JAMES P. MURPHY**
Supreme Court Justice

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF ONONDAGA

People of the State of New York, by Andrew M. Cuomo,
Attorney General of the State of New York,

Petitioner,

**STIPULATION,
ACKNOWLEDGMENT
AND CONSENT**

against

Index No.

RJI No.

Hon.

Azzam Eagle Auto, Inc. and Marwan H. Azzam
a/k/a Merwan H. Azzam, individually and as a principal
of Azzam Eagle Auto, Inc. and d/b/a Azzam Eagle
Fleet Auto Sales and Azzam Eagle Auto Sales,

Respondents.

1. IT IS HEREBY STIPULATED, CONSENTED AND ACKNOWLEDGED by and between the undersigned that the above entitled proceeding is hereby settled upon the terms and conditions set forth herein and in the annexed Consent Order and Judgment.

2. IT IS FURTHER STIPULATED, CONSENTED AND ACKNOWLEDGED that Respondents have entered into this stipulation for the purpose of settling the above entitled proceeding voluntarily and with full knowledge and understanding of the terms of the Consent Order and Judgment.

3. IT IS FURTHER STIPULATED, CONSENTED AND ACKNOWLEDGED that entry into this Consent Order and Judgment by the Attorney General shall not be deemed approval by the Attorney General of any of Respondents' business practices and Respondents shall not make

any representations to the contrary.

4. IT IS FURTHER STIPULATED, CONSENTED AND ACKNOWLEDGED that entry into this Consent Order and Judgment shall not limit, constrain, or restrict the Attorney General from bringing, using or seeking any other enforcement action or remedy allowed by law against Respondents.

5. IT IS FURTHER STIPULATED, CONSENTED AND ACKNOWLEDGED that no inducements or agreements of any nature have been made by the Attorney General to induce the Respondents to enter in to this stipulation and the Consent Order and Judgment.

6. IT IS FURTHER STIPULATED, CONSENTED AND ACKNOWLEDGED that Respondents acknowledge receipt of the Consent Order and Judgment and consents to it being “So Ordered” and entered without further notice.

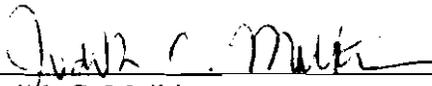
7. IT IS FURTHER STIPULATED, CONSENTED AND ACKNOWLEDGED that Respondents acknowledge receipt of the petition in this proceeding, consents to the jurisdiction of this Court, and waives their rights to answer or contest the allegations in this petition.

8. IT IS FURTHER STIPULATED, CONSENTED AND ACKNOWLEDGED that Respondents agree to pay restitution, penalties and costs pursuant to the terms of the Consent Order and Judgment.

9. IT IS FURTHER STIPULATED, CONSENTED AND ACKNOWLEDGED that the stipulation and the Consent Order and Judgment shall be deemed binding upon Azzam Eagle Auto, Inc. and Marwan H. Azzam a/k/a Merwan H. Azzam, individually and as a principal of Azzam Eagle Auto, Inc. and d/b/a Azzam Eagle Fleet Auto Sales and Azzam Eagle Auto Sales, and their agents, servants, employees, successors, heirs and assigns, or any other person under their direction and

control, whether acting individually or in concert with others, or through any corporate or other entity or device through which they may now or hereafter act or conduct business.

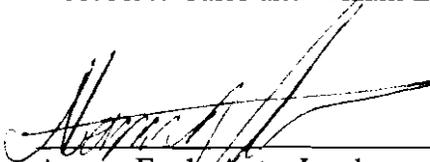
ANDREW M. CUOMO
Attorney General of the State of New York

By: 
Judith C. Malkin
Assistant Attorney General
Syracuse Regional Office

3/23/07
Date


Marwan Azzam a/k/a Merwan Azzam,
individually and d/b/a Azzam Eagle
Fleet Auto Sales and Azzam Eagle Auto Sales

3-20-07
Date

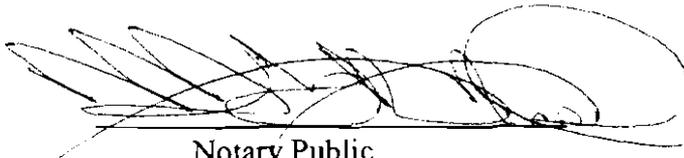

Azzam Eagle Auto, Inc. by
Marwan H. Azzam, Principal

3/20/07
Date

ACKNOWLEDGMENT

STATE OF NEW YORK)
COUNTY OF ONONDAGA) ss.:

On this 22 day of March, 2007, before me came Marwan H. Azzam a/k/a Merwan H. Azzam, to me known, who, being duly sworn did depose and say that he resides at _____
_____, Cherry, New York; and that he signed his name to the attached Stipulation, Consent and Acknowledgment, intending to be bound thereby.



Notary Public

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