

STATE OF NEW JERSEY
DEPARTMENT OF LAW & PUBLIC SAFETY

FILED

MAR 08 2010

DIVISION OF CONSUMER AFFAIRS

Division of Consumer Affairs

In the Matter of
Joseph N. Friedman,
Respondent.



Administrative Action

CONSENT ORDER

This matter having been opened by the New Jersey Division of Consumer Affairs, Office of Consumer Protection ("Division"), as an investigation to determine whether violations of the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq. ("CFA"), and the New Jersey Racketeer Influenced and Corrupt Organizations Act, N.J.S.A. 2C:41-4(b) et seq. ("New Jersey Civil RICO Act") have been committed by the Respondent, Joseph N. Friedman, in connection with the Respondent's actions as the named purchaser and borrower on four (4) residential loan applications more fully described in Exhibit A attached hereto ("the Four Mortgage Loans"), (hereinafter referred to as the "Investigation"); and

WHEREAS the Respondent has voluntarily and fully cooperated with the Division, and provided information to assist the Investigation;

WHEREAS the Division and Respondent (collectively, the

"Parties") have reached an amicable agreement thereby resolving the issues in controversy with respect to the Respondent and concluding this matter without the need for further action, including formal civil legal proceedings, against him;

WHEREAS the Respondent denies having committed any violation of law including, but not limited to, the CFA or New Jersey Civil RICO Act, and acknowledges that he has been informed of his right to have any and all such claims by the Division adjudicated in Superior Court before a civil administrative penalty is imposed; and

WHEREAS the Parties enter into this Consent Order to avoid the expenses and uncertainty associated with further investigation and/or litigation,

IT IS HEREBY ORDERED AND AGREED AS FOLLOWS:

EFFECTIVE DATE; STATUTE OF LIMITATIONS

1. This Consent Order shall be effective on the date that it is filed with the Division ("Effective Date"). The Parties agree to toll the limitations period as of the Effective Date for all civil and administrative claims which the Division brought or could have brought prior thereto against Respondent for violations of the CFA or the New Jersey Civil RICO Act in connection with his participation as purchaser and borrower on

the Four Mortgage Loans specifically addressed by this Consent Order.

DEFINITIONS

2. As used in this Consent Order, the following words or terms shall have the following meanings, which meanings shall apply wherever the words and terms appear in this Settlement:

a) "Attorney General" shall refer to the Attorney General of the State of New Jersey and the Office of the Attorney General of the State of New Jersey.

b) "Consumer" shall refer to any Person, defined in accordance with N.J.S.A. 56:8-1(d), who is offered Merchandise, defined in accordance with N.J.S.A. 56:8-1(c), for Sale, defined in accordance with N.J.S.A. 56:8-1(e).

c) "Division" or "Division of Consumer Affairs" shall refer to the New Jersey Division of Consumer Affairs.

INJUNCTIVE RELIEF

3. Respondent shall not knowingly misrepresent, conceal, suppress and/or omit any material fact in connection with any pending or future purchase or sale of real estate within the State of New Jersey, and shall comply with all applicable State and/or Federal laws, rules and regulations as now constituted or as may hereafter be amended, including, but not limited to, the CFA or the New Jersey Civil RICO Act.

SETTLEMENT AMOUNT

4. The Parties hereto have agreed to a settlement of the

Action as to the Defendant in the amount of Fourteen Thousand and Zero Dollars (\$14,000.00) (the "Settlement Amount"), which is comprised of the value of goods and/or services received by the Respondent in connection with his participation as purchaser and/or borrower on the Four Mortgage Loans, civil monetary penalties, and partial reimbursement to the Division for legal and investigative costs.

5. Contemporaneous with the execution of this Consent Order, Respondent shall remit to the Division payment in the amount of Five Hundred and Zero Dollars (\$500.00). Payment of this portion of the Settlement Amount shall be tendered in certified funds made payable to "New Jersey Division of Consumer Affairs" and forwarded to:

Wendy Leggett Faulk
Deputy Attorney General
State of New Jersey
Office of the Attorney General
Department of Law and Public Safety
Division of Law
Affirmative Litigation Section
124 Halsey Street - 5th Floor
P.O. Box 45029
Newark, New Jersey 07101

6. Beginning March 15, 2010, and continuing thereafter on the fifteenth day of the next twenty-six (26) consecutive months, Defendant shall remit to the Division payment in the amount of Two Hundred and Fifty Dollars (\$250.00), for a total payment of Five Thousand Dollars (\$6,500.00). Payment of this portion of

the Settlement Amount shall be tendered in certified funds made payable to "New Jersey Division of Consumer Affairs" and forwarded to:

Jennifer Micco, Supervising Investigator
Office of Consumer Protection
Division of Consumer Affairs
124 Halsey Street - 7th Floor
P.O. Box 45025
Newark, New Jersey 07101

7. For a period of one (2) years from the Effective Date, the balance of the Settlement Amount, Seven Thousand and Zero Dollars (\$7,000.00) shall be suspended and automatically vacated at the end of that period, provided:

a) Respondent complies in all material respects with the terms and conditions set forth in this Settlement Agreement;

b) Respondent does not engage in any acts or practices in violation of the CFA and any regulations promulgated thereunder, the Licensed Lenders Act, and/or the Licensed Lenders Regulations; and

c) Respondent remits payments of the portion(s) of the Settlement Amount as required herein.

8. The Division has relied on the representations made by Respondent, individually and in the attached Certification, regarding Respondent's conduct and financial gain in connection with his participation as purchaser and borrower on the Four Mortgage Loans. If the Division determines that any material representation made by Respondent in this regard was false in any respect, it may, upon prior written notice to Respondent, set

aside this Consent Order, seek sanctions for violation hereof, and/or pursue any and all claims the Division may have against Respondent. In such event, Respondent shall be precluded from asserting any time defenses.

9. In the event Respondent fails to comply with the terms and conditions of this Consent Order, the Division shall provide Respondent with the specific details of the alleged noncompliance and Respondent shall be afforded a reasonable period within which to cure any such noncompliance. In the event of Respondent's failure to cure any such noncompliance, the entire suspended portion of the Settlement Amount, Seven Thousand and Zero Dollars (\$7,000.00) shall be immediately due and payable upon notice by the Division, and the Division may move on notice or by Order to Show Cause to have a Judgment entered for the outstanding portion of the entire Settlement Amount.

10. The Division (or designated representative) shall have the authority to enforce the provisions of this Consent Order, or to seek sanctions for violations hereof, or both.

COOPERATION

11. As a material condition of this Consent Order, the Respondent shall fully and promptly cooperate with the Division and/or its representatives in court, administrative proceedings,

settlement negotiations, any preparations therefore, and any investigations regarding the subject matter of the Investigation. Such cooperation shall be at a reasonable time, requested by the Division upon reasonable notice, and shall include, without limitation and without subpoena:

- a) Voluntary production of all documents or other tangible evidence requested which has not already been produced to the Division;
- b) Voluntary and prompt attendance at all proceedings at which the Respondent's presence and/or testimony is requested by the Division, where the Respondent shall give voluntary forthright and complete testimony;
- c) Voluntary, forthright and complete responses to all inquiries from the Division to the Respondent; and
- d) Diligent, reasonable and good faith efforts to assist any Consumer who previously owned a property listed in Exhibit A in reacquiring title to said property.

12. For any and all Consumers who receive payment out of the Settlement Amount, the Division shall promptly provide Respondent with a letter identifying the Consumers and the amount paid to each.

RELEASE

13. In consideration of the payments, undertakings, mutual promises and obligations provided for in this Consent Order, and expressly conditioned on Respondent remitting the Settlement Amount as required herein, the Division hereby agrees to release Respondent from any and all civil and administrative claims which

the Division brought or could have brought prior to the Effective Date against Respondent for violations of the CFA or the New Jersey Civil RICO Act in connection with his participation as purchaser and borrower on the Four Mortgage Loans specifically addressed by this Consent Order (the "Released Claims").

14. Notwithstanding any term of this Consent Order, the following do not comprise Released Claims: (a) private rights of action by Consumers against the Respondent, provided however, that nothing herein shall prevent Respondent from raising the defense of set-off against any Consumer who has received payment out of the Settlement Amount; (b) actions to enforce this Consent Order; or (c) any claims against Respondent by any other agency or subdivision of the State.

GENERAL PROVISIONS

15. This Consent Order is entered into by the Parties as their own free and voluntary act and with full knowledge and understanding of the obligations and duties imposed hereby.

16. This Consent Order shall be governed by, and construed and enforced in accordance with, the laws of this State.

17. This Consent Order contains the entire agreement among the Parties, and shall be modified only by a written instrument signed by or on behalf of Division and Respondent.

18. Except as otherwise explicitly provided for in this

Consent Order, nothing herein shall be construed to limit the authority of the Attorney General to protect the interests of the State or the people of the State.

19. The monetary relief in this Consent Order is imposed pursuant to the police and regulatory powers of the State of New Jersey for the enforcement of the law and the protection of the public welfare, and is not intended to constitute a debt which may be limited or discharged in a bankruptcy proceeding.

20. If any portion of this Consent Order is held invalid or unenforceable by operation of law, the remaining terms thereof shall not be affected.

21. This Consent Order shall be binding upon the Parties and their successors in interest. In no event shall assignment of any right, power or authority under this Consent Order avoid compliance herewith.

22. Unless otherwise prohibited by law, any signatures by the Parties required for entry of this Consent Order may be executed in counterparts, each of which shall be deemed an original, but all of which shall together be one and the same Consent Order.

COMPLIANCE WITH ALL LAWS

23. Except as provided in this Consent Order, no provision herein shall be construed as:

a) Relieving Respondent of his obligations to comply with all State and Federal laws, regulations or rules, as now constituted or as may hereafter be amended, or as granting permission to engage in any acts or practices prohibited by any such laws, regulations or rules; or

b) Limiting or expanding any right the Division may otherwise have to obtain information, documents or testimony from Respondent pursuant to any State or Federal law, regulation or rule, as now constituted or as may hereafter be amended, or limiting or expanding any right Respondent may otherwise have pursuant to any State or Federal law, regulation or rule, to oppose any process employed by the Division to obtain such information, documents or testimony.

NOTICES UNDER THIS SETTLEMENT

24. Until such time as the Respondent's obligations are fulfilled under this Consent Order, Respondent shall promptly advise the Division's counsel of the address of his residence, whether in the United States or abroad, should that address differ from her residence as of the Effective Date hereof.

25. Except as otherwise provided herein, any notices or other documents required to be sent to the Parties pursuant to this Consent Order shall be sent by any nationally recognized courier service that provides for tracking services and identification of the person signing for the documents. The notices and/or documents shall be sent to the following addresses:

For the Division:

Executive Director
Division of Consumer Affairs
State of New Jersey
Office of the Attorney General

Department of Law and Public Safety
124 Halsey Street - 7th Floor
P.O. Box 45028
Newark, New Jersey 07101

For the Respondent:

Joseph N. Friedman
13-B Martha Ave.
Elmwood Park, 07040

Charlotte G. Swift, Esq.
Montalbano, Condon & Frank, P.C.
67 North Main Street
New City, NY 10956-8070

845-634-7010

IT IS ON THE 26th DAY OF January 2010 SO ORDERED.

~~ANNE MILGRAM~~ PAULAT. Dow
ATTORNEY GENERAL OF NEW JERSEY

By: [Signature]
~~DAVID SZUCHMAN~~ DIRECTOR
DIVISION OF CONSUMER AFFAIRS
SHARON JONES
ACTING

CONSENTED TO AS TO FORM, CONTENT
AND ENTRY OF ORDER:

FOR THE DIVISION:

ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY

By: [Signature] Dated: 2/24/10
Megan Lewis
Deputy Attorney General
Chief, Affirmative Litigation Section

124 Halsey Street - 5th Floor
P.O. Box 45029
Newark, New Jersey 07101
Telephone: (973) 648-2500

FOR THE RESPONDENT:

JOSEPH N. FRIEDMAN

By: [Signature] Dated: 1-26-10
Joseph N. Friedman

MANTALBANO, CONDON & FRANK, P.C.

By: [Signature] Dated: 1/26/10
Charlotte G. Swift, Esq.
Attorney for Respondent