

IN THE COURT OF COMMON PLEAS OF MONTGOMERY COUNTY, OHIO

STATE OF OHIO, ex rel.)	CASE NO. 2017 CV 01437
MICHAEL DEWINE)	
ATTORNEY GENERAL OF OHIO)	JUDGE RICHARD S. SKELTON
)	
Plaintiff,)	<u>CONSENT JUDGMENT AND</u>
)	<u>AGREED ENTRY AND ORDER</u>
v.)	<u>WITH DEFENDANTS</u>
)	<u>HUSAM MOHAMMAD AND</u>
HUSAM MOHAMMAD et al.,)	<u>AUTO 1 CONNECTION, INC.</u>
)	
Defendants.)	
)	

PREAMBLE

This matter came upon the filing of a complaint by Plaintiff, State of Ohio, charging Defendants Husam Mohammad and Auto 1 Connection, Inc. (collectively, "Defendants") with violations of the Ohio Consumer Sales Practices Act ("CSPA"), R.C. 1345.01 *et seq.*, and the Certificate of Motor Vehicle Title Act, R.C. 4505.01 *et seq.* Plaintiff and Defendants have agreed to settle and resolve all matters alleged in that complaint. By signing this Consent Judgment and Agreed Entry and Order ("Consent Judgment"), Defendants waive service of process of the summons and complaint, and/or any defects therein, submit to the personal jurisdiction of this Court, consent to the entry of this Judgment pursuant to R.C. 1345.07(F), to the imposition of this Consent Judgment, and to the rights of Plaintiff to enforce this Consent Judgment.

FINDINGS OF FACT

1. Defendant Auto 1 Connection, Inc. is an Ohio corporation operating at 1347 E. Third Street, Dayton, OH 45403.
2. Defendant Husam Mohammad ("Mohammad") is an individual whose address is 1032 Lakeside Street, Tipp City, OH 45371-2556.

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3. Defendant Mohammad has at all times relevant to this lawsuit had an ownership interest in and operated Defendant Auto 1 Connection, Inc., dominated, controlled, and directed the business activities and sales conduct of Auto 1 Connection, Inc., and exercised the authority to establish, implement, or alter the policies of Auto 1 Connection, Inc. Defendant Mohammad committed, allowed, directed, ratified, or otherwise caused the unlawful acts that gave rise to this lawsuit.
4. Defendants were, at all times relevant to this lawsuit, engaged in the business of soliciting, promoting, purchasing, selling, and financing used motor vehicles, as well as collecting the proceeds of those sales from Defendants' location in Dayton to consumers residing in Montgomery and other Ohio counties.
5. Defendants, operating under the name Auto 1 Connection, Inc., solicited individual consumers to enter into consumer transactions, specifically for the sale of used motor vehicles.
6. At all relevant times hereto, Defendants held license #UD0167623, issued by the State of Ohio under R.C. 4517.01 *et seq.*, allowing them to engage in the business of displaying or selling, at retail or wholesale, used motor vehicles.
7. At all relevant times hereto, the Defendants displayed and sold used motor vehicles at the Auto 1 Connection, Inc. location at 1347 E. Third Street, Dayton, OH 45403.
8. The Defendants failed to file applications for certificate of title within Thirty (30) days after the assignment or delivery of motor vehicles.
9. The Defendants failed to obtain certificates of title on or before the Fortieth (40th) day after the sale of motor vehicles.

10. The Title Defect Recision Fund, which is administered by the Ohio Attorney General's Office, paid \$15,620.89 thus far in consumer claims because Defendants failed to obtain certificates of title within Forty (40) days of the sale of motor vehicles.
11. The Defendants continued to operate after failing to post a bond in the amount of \$25,000 as required by R.C. 4505.181 after the Attorney General paid a retail purchaser of the Defendants from the Title Defect Recision Fund due to Defendants' failure to deliver titles to the purchasers.

CONCLUSIONS OF LAW

12. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in paragraphs One through Eleven (1-11) of this Complaint.
13. Plaintiff, State of Ohio, by and through Counsel, the Attorney General of Ohio, Michael DeWine, having reasonable cause to believe that violations of Ohio's consumer protection laws have occurred, brings this action in the public interest and on behalf of the State of Ohio under the authority vested in him by the CSPA, R.C. 1345.01 *et seq.*, and the Certificate of Motor Vehicle Title Act, R.C. 4505.01 *et seq.*
14. Defendants, as described, engaged in "consumer transactions" by offering for sale, selling or financing the purchase of used motor vehicles to individuals for purposes that were primarily personal, family or household within the meaning specified in R.C. 1345.01(A) and (D).
15. Jurisdiction over the subject matter of this action lies with this Court pursuant to R.C. 1345.04 of the CSPA.

16. This Court has venue to hear this case, pursuant to Ohio Civ. R. 3(B)(2)-(3), because at all times relevant to this lawsuit Defendants operated their business from, and Defendants engaged in the complained of transactions in Montgomery County.
17. Defendants were “suppliers,” as that term is defined in R.C. 1345.01(C), because they engaged in the business of effecting or soliciting “consumer transactions” as that term is defined in R.C. 1345.01(A).
18. Defendants engaged in “consumer transactions” by offering for sale, selling, or financing the purchase of used motor vehicles to individuals for purposes that were primarily personal, family, or household, within the meaning of R.C. 1345.01 (A) and (D).
19. Defendants committed unfair and deceptive acts or practices in violation of the CSPA, R.C. 1345.02, by failing to file applications for certificates of title within Thirty (30) days after the assignment or delivery of motor vehicles as required by R.C. 4505.06(A)(5)(b).
20. Defendants committed unfair and deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A), by selling motor vehicles to consumers, in the ordinary course of business, and then failing to obtain certificates of title on or before the Fortieth (40th) day of the sale of the motor vehicles as required by R.C. 4505.181(B)(1).
21. The actions, as set forth above, are in violation of the CSPA, and the Certificate of Motor Vehicle Title Act.
22. The Defendants committed unfair and deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A) by continuing to operate after failing to post a bond after the Attorney General paid retail purchasers of the Defendants from the Title Defect Recision Fund due to Defendants’ failure to deliver titles to the purchasers as required by R.C. 4505.181(A)(2).

23. Such acts or practices have been previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 *et seq.* The Defendants committed said violations after such decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

ORDER

- A. The court hereby DECLARES that the acts and practices described above violate the CSPA, and the Certificate of Motor Vehicle Title Act in the manner set forth herein.
- B. Defendants, doing business under the name Auto 1 Connection, Inc. or any other name, their officers, agents, representatives, salespersons, employees, successors, or assigns, and all persons acting in concert and participation with them, directly or indirectly, through any corporate device, partnership or association, are hereby PERMANENTLY ENJOINED from engaging in unfair, deceptive, or unconscionable acts or practices that violate the CSPA, R.C. 1345.01 *et seq.*, and its Substantive Rules, § 109:4-3-01 *et seq.*, or the Certificate of Motor Vehicle Title Act, R.C. 4505.01 *et seq.*, including, without limitation, violations of the specific statutes described in this Consent Judgment.
- C. Pursuant to R.C. 1345.07(D), Defendants, jointly and severally, shall pay a civil penalty in the amount of Fifteen Thousand Dollars and no Cents (\$15,000.00). Ten Thousand Dollars (\$10,000.00) of the civil penalty is suspended so long as the Defendants are in compliance with all of the provisions of this Consent Judgment. Should the Defendants violate any of the provisions of this Consent Judgment, the total amount of the suspended civil penalty shall become immediately due and payable, and judgment shall issue in the amount of Fifteen Thousand Dollars (\$15,000.00). Payment of the unsuspended amount shall be made at the rate of Three Hundred Fifty Dollars and no Cents (\$350.00) per month with the first payment due on or before the 1st of the month following the final

payment pursuant to paragraph D below and thereafter on or before the first of each month for 14 consecutive months until paid in full. A final 15th payment of One Hundred Dollars and no Cents (\$100.00) shall be made to satisfy the total amount due. Payment shall be made to the Ohio Attorney General Compliance Officer, 30 E. Broad St., 14th Fl., Columbus, Ohio 43215.

- D. IT IS FURTHER ORDERED that the Defendants, jointly and severally, shall reimburse the Title Defect Recision fund, which is administered by the Ohio Attorney General, in the amount of Fifteen Thousand Six Hundred Twenty Dollars and Eighty-Nine Cents (\$15,620.89). Payment of the \$15,620.89 shall be made at the rate of Three Hundred Fifty Dollars (\$350.00) per month with the first payment due on or before August 1, 2017 and for 43 consecutive months thereafter on or before the first of the month. A final 45th payment of Two Hundred Twenty Dollars and Eighty-Nine Cents (\$220.89) shall be made to satisfy the total amount due. Payment shall be made to the Ohio Attorney General Compliance Officer, 30 E. Broad St., 14th Fl., Columbus, Ohio 43215.
- E. Defendants shall obtain and post with Plaintiff, on or before the execution of this Consent Judgment, a bond in favor of the State of Ohio from a surety company authorized to do business in this State, in an amount of not less than Twenty-Five Thousand Dollars (\$25,000.00), to be used solely for the purpose of compensating retail purchasers of motor vehicles, manufactured homes, or mobile homes who suffer damages due to the failure of the Defendants to transfer title as required by R.C. 4505.181(A)(2).
- F. IT IS FURTHER ORDERED that Defendant Mohammad shall be prohibited from applying for or obtaining an auto dealer or salesperson license under Chapter 4517 of the

Revised Code if he is not in compliance with all of the provisions of this Consent Judgment.

- G. IT IS FURTHER ORDERED that, as a means of insuring compliance with this Court's Order and with the consumer protection laws of Ohio, Defendants are to maintain in their possession and control for a period of Five (5) years all business records relating to the Defendants' solicitation and sale of used motor vehicles in Ohio and to permit the Ohio Attorney General or his representative, upon reasonable twenty-four (24) hour notice, to inspect and/or copy any and all records.
- H. Defendants shall not represent, directly or indirectly, that the Ohio Attorney General has sanctioned, condoned, or approved any part or aspect of their business operations.
- I. IT IS FURTHER ORDERED that, in the event that the Ohio Attorney General must initiate legal action or otherwise incur any costs to compel Defendants to abide by this Consent Judgment, and the Attorney General should prevail in that action, then Defendants, jointly and severally, shall be liable to the Ohio Attorney General for all related enforcement costs, including but not limited to, a reasonable sum for attorney fees and investigative costs.
- J. Defendants, jointly and severally, shall pay all court costs associated with this action.
- K. IT IS FURTHER ORDERED that the Defendants are ENJOINED from engaging in consumer transactions as suppliers if they are not in compliance with the payment of all restitution, civil penalties, and any court costs ordered.

IT IS SO ORDERED

DATE

JUDGE RICHARD S. SKELTON

Agreed to by:

MICHAEL DEWINE
Attorney General

Rosemary E. Rupert

Rosemary E. Rupert (0042389)
Assistant Attorney General
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Counsel for Plaintiff

Husam Mohammad (per approval)

Husam Mohammad
1032 Lakeside Street
Tipp City, Ohio 45371-2556
Defendant

Husam Mohammad (per approval)

Auto 1 Connection, Inc.
by Husam Mohammad
Defendant



General Division
Montgomery County Common Pleas Court
41 N. Perry Street, Dayton, Ohio 45422

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MOHAMMAD

So Ordered