

IN THE COURT OF COMMON PLEAS
CLERMONT COUNTY, OHIO

STATE OF OHIO, ex rel.
ATTORNEY GENERAL
MICHAEL DEWINE

Plaintiff,

v.

SUPERIOR AUTO SPORTS, LLC et al.

Defendants.

CASE NO. 2018 CVH 00069

JUDGE HADDAD

CONSENT JUDGMENT AND
AGREED FINAL
ENTRY AND ORDER

RECEIVED

ATTORNEY GENERAL OF OHIO

JAN 14 2019

PREAMBLE

CONSUMER PROTECTION SECTION
PUBLIC INSPECTION FILE

This matter came to be heard upon the filing of a Complaint on January 12, 2018 by the Ohio Attorney General on behalf of the State ("State" or "Plaintiff"), alleging that the Defendants Superior Auto Sports, LLC ("Superior Auto Sports") and Najeeb Daoud (collectively "Defendants") violated Ohio's 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. The parties have agreed to settle and resolve the matters contained herein. By signing this Consent Judgment and Agreed Final Entry and Order ("Consent Judgment"), Defendants submit to the personal jurisdiction of this Court, consent to the Court's findings of fact and conclusions of law, consent to the imposition of this Consent Judgment pursuant to R.C. 1345.07(F), consent to the rights of Plaintiff to enforce this Consent Judgment, and waive any and all appeal rights they may have.

FINDINGS OF FACT

1. Defendant Superior Auto Sports is an Ohio limited liability corporation based in Clermont County.
2. The principal place of business for Superior Auto Sports was located at 1289 West Ohio

Pike, Amelia, Ohio 45102 during the time relevant to the transactions described herein.

3. Superior Auto Sports is currently conducting its business and selling used motor vehicles from its location at 1145 West Ohio Pike, Amelia, Ohio 45102.
4. Defendant Najeeb Daoud ("Daoud") is a natural person whose residence is located at 761 Dorgene Lane, Cincinnati, Ohio, in Clermont County.
5. Defendant Daoud does business as Superior Auto Sports.
6. Defendant Daoud owns and operates Superior Auto Sports.
7. Defendant Daoud dominated, controlled, directed, and approved the business activities and sales conduct of Superior Auto Sports at the time of the violations set forth in the Complaint and caused, personally participated in, or ratified the acts and practices of Superior Auto Sports.
8. Defendants were, at all times relevant to this action, engaged in the business of soliciting, promoting, purchasing, selling, and collecting the proceeds of the sales of used motor vehicles from their location in Amelia, Ohio.
9. Defendants solicited individual consumers to enter into consumer transactions, specifically for the sale of used motor vehicles.
10. Defendant Superior Auto Sports holds used motor vehicle dealer license #UD020997, issued under R.C. 4517.01 et seq., which allows it to engage in the business of displaying or selling at retail or wholesale used motor vehicles.
11. Defendants have displayed and sold used motor vehicles at the Superior Auto Sports locations.
12. Defendants failed to file applications for certificates of title within Thirty (30) days after the assignment or delivery of motor vehicles.

13. Defendants failed to obtain certificates of title in the name of consumer purchasers on or before the Fortieth (40th) day after the sale of motor vehicles.
14. Title Defect Recision consumer claims totaling \$5,407.44 have been paid from the Title Defect Recision Fund, administered by the Ohio Attorney General's Office, after Defendants failed to obtain certificates of title in the names of consumer purchasers on or before the Fortieth (40th) day after the sale of the motor vehicles.
15. Prior to the filing of this lawsuit, Defendants repaid to the Attorney General only \$500 of the \$5,407.44 they owed to the Title Defect Recision Fund. Defendants paid \$1,000 to the Title Defect Recision Fund on July 18, 2018.
16. After claims were paid from the Title Defect Recision Fund, Defendants continued to offer for sale or sell used motor vehicles they did not hold certificates of title to, without first posting a \$25,000 bond with the Attorney General, as required by R.C. 4501.181(A)(2).
17. Defendants did not post the required \$25,000 surety bond with the Attorney General until May 22, 2018.
18. The actions of Defendants have occurred in the State of Ohio, including in Clermont County.

CONCLUSIONS OF LAW

19. Plaintiff Ohio Attorney General Michael DeWine, brought this action in the public interest and on behalf of the State of Ohio under the authority vested in the Attorney General by R.C. 1345.07.
20. The actions of Defendants, described above, occurred in the State of Ohio, including in Clermont County and, as set forth below, are in violation of the CSPA and the Certificate of Motor Vehicle Title Act.

21. Jurisdiction over the subject matter of this action lies with this Court pursuant to R.C. 1345.04 of the CSPA.
22. This Court has venue to hear this case pursuant to Ohio Civ. R. 3(B)(1)-(3) in that Clermont County, Ohio is where Defendant Najeeb Daoud resides, where Defendants' principal place of business is located, and where Defendants conducted some of the transactions complained of herein.
23. Defendants are "supplier[s]" as that term is defined in R.C. 1345.01(C) of the CSPA as Defendants were, at all times relevant herein, engaged in the business of effecting or soliciting consumer transactions by offering for sale and selling 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).
24. Defendants engaged in unfair and deceptive acts and practices in violation of R.C. 1345.02 of the CSPA 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) of the Certificate of Motor Vehicle Title Act.
25. Defendants engaged in unfair and deceptive acts and practices in violation of R.C. 1345.02(A) of the CSPA by selling motor vehicles to consumers, in the ordinary course of business, and then failing to obtain certificates of title in the names of the consumer purchasers on or before the Fortieth (40th) day following the date of the sale of the motor vehicles as required by R.C. 4505.181(B)(1) of the Certificate of Motor Vehicle Title Act.
26. Defendants committed unfair and deceptive acts and practices in violation of R.C. 1345.02 of the CSPA by continuing to offer for sale or sell used motor vehicles they did not hold certificates of title to after previous claims against Defendants resulted in payments from

the Title Defect Recision Fund, without first posting a \$25,000 bond with the Attorney General, as required by R.C. 4505.181(A)(2).

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

ORDER

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

- A. The acts and practices described in the Plaintiff's Complaint, and above in the Findings of Fact and Conclusions of Law, violate the CSPA, R.C. 1345.01 et seq., and the Certificate of Motor Vehicle Title Act, R.C. 4505.01 et seq., in the manner set forth in this Consent Judgment.
- B. Defendants, doing business under their own names, as Superior Auto Sports, LLC, or any other names, their agents, representatives, salespeople, employees, successors, or assigns, and all persons acting in concert and participation with them, directly or indirectly, are hereby **PERMANENTLY ENJOINED** from committing any unfair, deceptive, or unconscionable act or practice that violates the CSPA, R.C. 1345.01 et seq., or the Certificate of Motor Vehicle Title Act, R.C. 4505.01 et seq.
- C. Defendants are **ORDERED**, jointly and severally, to pay to the Attorney General's Title Defect Recision Fund \$3,977.94 to reimburse funds expended to resolve title defects caused by Defendants' motor vehicle title violations. Payments shall be made in the following manner:

- a. Defendants shall pay three consecutive monthly installments in the amount of \$1,325.98, with the first payment due on October 15, 2018, the second payment due on November 15, 2018, and the final payment due on December 17, 2018.
- b. Payment of each monthly installment payment shall be made by delivery of a certified check or money order, made payable to the "Ohio Attorney General," to the following address:

Compliance Officer
Consumer Protection Section
Office of the Ohio Attorney General
30 East Broad Street, 14th Floor
Columbus, Ohio 43215

- D. Pursuant to R.C. 1345.07, Defendants are **ORDERED**, jointly and severally, to pay a \$15,000.00 civil penalty, with \$13,000 of said penalty to be suspended upon full compliance with the terms of this Consent Judgment. Payment of the unsuspended portion, in the amount of \$2,000.00, shall be made in the following manner:

- a. Defendants shall pay four consecutive monthly installments in the amount of \$500.00, with the first payment due on May 1, 2019, the second payment due on June 1, 2019, the third payment due on July 1, 2019, and the final payment due on August 1, 2019.
- b. Payment of each monthly installment shall be made by delivery of a certified check, made payable to the "Ohio Attorney General's Office," to:

Compliance Officer
Consumer Protection Section
Office of the Ohio Attorney General
30 East Broad Street, 14th Floor
Columbus, Ohio 43215

- c. The \$13,000 suspended portion of this civil penalty shall become immediately due and payable if Defendants fail to comply with any of the terms of this Consent Judgment, including the payment provisions ordered in Paragraphs C and D.
- E. It is further **ORDERED** that the Defendants shall maintain until May 22, 2021 the \$25,000 surety bond that they posted with the Attorney General pursuant to R.C. 4505.181(A)(2).
- F. It is further ordered that if the Defendants fail to deliver any payment due hereunder to the Attorney General in accordance with the payment schedule ordered in Paragraphs C and D above, all remaining monthly payments owed, and also the \$13,000.00 suspended civil penalty ordered pursuant to Paragraph D, shall immediately become due and payable.
- G. It is further **ORDERED** that the acceptance by the Attorney General of any payment due hereunder subsequent to the time such payment is due or the failure of the Ohio Attorney General to insist on strict performance of any order contained within this Consent Judgment, including the obligation created by the acceleration provision in Paragraph F of this Consent Judgment, shall not be construed as a waiver of any of the obligations created by this Consent Judgment.
- H. It is further **ORDERED** that in the event that Plaintiff must initiate legal action or incur any costs to compel the Defendants to abide by this Consent Judgment, Defendants shall be liable to State should it prevail, for all related enforcement costs including, but not limited to, a reasonable sum for attorneys' fees and investigatory costs.

- I. Defendants are hereby notified that if they fail to make any payment due in accordance with this Consent Judgment, the unpaid amount due under this Consent Judgment may be referred to the Ohio Attorney General's Collection Enforcement Section for collection. Should the unpaid amount be referred for collection, the Collections Enforcement Section will assess additional collection fees and interest against Defendants pursuant to Ohio law, including, but not limited to R.C. 131.02, 109.08, and 109.081.
- J. Defendants shall not represent, directly or indirectly, that this Court or the Ohio Attorney General has sanctioned, condoned, or approved any part or aspect of the Defendants' business operations.
- K. Defendants are **ORDERED** to pay all court costs.
- L. This Court shall retain jurisdiction to enforce compliance with this Consent Judgment.


IT IS SO ORDERED.


JUDGE HADDAD

APPROVED AND AGREED TO BY:

PLAINTIFF

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Attorney General of Ohio




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Superior Auto Sports, LLC



Najeeb Daoud
Representative for Superior Auto Sports, LLC