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Civil Administration

E. MASCULLI

**IN THE COURT OF COMMON PLEAS OF PHILADELPHIA COUNTY
FIRST JUDICIAL DISTRICT OF PENNSYLVANIA
CIVIL TRIAL DIVISION**

COMMONWEALTH OF PENNSYLVANIA :
Acting by Attorney General :
KATHLEEN G. KANE, :
 :
Plaintiff :
v. :
 :
PHILADELPHIA FURNITURE :
WAREHOUSE, INC., et al. :
 :
Defendants :
 :

July Term, 2015
No. 2150

#150702150

ORDER

AND NOW, this _____ day of _____, 2015, upon consideration of the Commonwealth's *Motion for a Preliminary Injunction, Accounting, and Asset Freeze* and after a hearing held pursuant to Pa.R.C.P. 1531(a), this Court hereby grants the requested temporary injunctive relief, accounting, and freezing of assets as to all Defendants to this action, and hereby ORDERS that pending a full hearing upon the Commonwealth of Pennsylvania's Complaint in the within matter:

A. Temporarily restraining and enjoining said Defendants and their agents, attorneys, servants, employees, distributors and any other persons in active concert or participation with said Defendants who receive actual notice of this Order from receiving monies and/or payments for, or pertaining to, the sale of furniture;

B. Requiring said Defendants and their agents, attorneys, servants, employees and any other persons in active concert or participation with said Defendants who receive actual notice of this Order to provide the Commonwealth within forty-eight (48) hours of service of this

Order to provide an accounting, with a full and complete disclosure of all assets owned, whether wholly or in part, or under his or her control, and the locations thereof, including but not limited to, the identification of bank, brokerage or investment accounts, which are: (1) owned, possessed or controlled by any of said Defendants; (2) held for the benefit of any of said Defendants; or (3) owned, possessed or controlled by any person or entity directly or indirectly under any of said Defendants' control;

C. Temporarily freezing any and all property or monies in any accounts identified pursuant to Paragraph B, above, which are: (1) owned, possessed or controlled by any of said Defendants; (2) held for the benefit of any of said Defendants; or (3) owned, possessed or controlled by any person or entity directly or indirectly under any of said Defendants' control. Funds shall be released from these accounts upon approval of the Court after petition and hearing;

D. Temporarily restraining and enjoining said Defendants and enjoining their agents, attorneys, servants, employees, distributors and any other persons in active concert or participation with said Defendants who receive actual notice of this Order from selling, transferring, encumbering, loaning, concealing, dissipating, converting, withdrawing, or making any other disposition of any funds, credit instruments, real or personal property, the contents of any safe deposit boxes, or other assets or any interest therein, whenever acquired and wherever located, which are: (1) owned, possessed or controlled by any of said Defendants; (2) held for the benefit of any of said Defendants; or (3) owned, possessed or controlled by any person or entity directly or indirectly under any of said Defendants' control;

E. Temporarily restraining and enjoining said Defendants and enjoining their agents, attorneys, servants, employees and any other person in active concert or participation with said

Defendants who receive actual notice of this Order from destroying, concealing, altering, transferring or otherwise disposing of any documents or records, stored on any medium, that relate in any way to the business practices or business or personal finances of any of said Defendants or entity directly or indirectly under any of said Defendants' control;

F. Temporarily restraining and enjoining said Defendants and enjoining their agents, attorneys, servants, employees and any other person in active concert or participation with said Defendants who receive actual notice of this Order from failing to keep books, records, and accounts which, in reasonable detail, accurately reflects the incomes, disbursements, transactions and use of monies by any of said Defendants or other entity directly or indirectly under any of said Defendants' control;

G. Temporarily requiring that any bank or financial institution, brokerage house, escrow agent, money market or mutual fund, commodity trading company, title company, common carrier, storage company, trustee, mail receiving agent, or any other person or other entity served with a copy of this Order by any means including, but not limited to, facsimile, electronic mail, overnight delivery or hand delivery, shall: (1) hold and retain within such entity's or person's control, and prohibit the withdrawal, assignment, transfer, encumbrance, disbursement, sale, or other disposal of any assets or documents held by such entity or person on behalf of, for the benefit of, or subject to access or use by any of said Defendants; and (2) deny access to any safe deposit boxes held by such entity or person on behalf of, for the benefit of, or subject to access or use by any of said Defendants;

H. Temporarily requiring that any bank or financial institution, brokerage house, escrow agent, money market or mutual fund, commodity trading company, title company, common carrier, storage company, trustee, mail receiving agent, or any other person or other

entity served with a copy of this Order by any means including, but not limited to, facsimile, overnight delivery or hand delivery, shall provide the Commonwealth, within four business days after service of this Order, a statement setting forth: (1) an identification of each account or asset titled in the name, individually or jointly, or held on behalf of, or for the benefit of, any of said Defendants; (2) the balance of each such account, or a description of the nature and value of such asset; (3) an identification of any safe deposit box that is either titled in the name of, individually or jointly, or is otherwise subject to access or control by, any of said Defendants; and (4) if an account, safe deposit box, or other asset has been closed or removed, the date closed or removed, and the balance on said date. The accounts subject to this section include existing assets and assets deposited after the effective date of this Order;

I. Requiring that each of said Defendants shall, within five business days after receiving actual notice of this Order, prepare and serve upon the Commonwealth a financial statement. Each such financial statement shall include: (1) a complete schedule of all assets and liabilities, itemized by type, location and value (including names and addresses of financial institutions and account numbers); and (2) a list of all transfers and assignments of assets and property valued in excess of \$2,500 since January 1, 2014, indicating the name and address of the transferee or assignee, the value of the transfer or assignment, and the type and value of any consideration paid to said Defendant; and, (3) a verification from each said Defendant that the information he or she has provided has been provided subject to the penalty of perjury under 18 Pa.C.S. § 4904. Each such financial statement shall be served upon Commonwealth by facsimile or overnight delivery.

J. Requiring Defendants to disable and take any and all actions necessary to prevent consumers from being access any and all websites used by Defendants to sell furniture.

BY THE COURT:

J.

SARAH A. E. FRASCH
 Senior Deputy Attorney General
 PA Attorney I.D. #203529
 Office of Attorney General
 Bureau of Consumer Protection
 21 South 12th Street, 2nd Floor
 Philadelphia, Pennsylvania 19107
 215-560-2414
Attorney for Plaintiff

IN THE COURT OF COMMON PLEAS OF PHILADELPHIA COUNTY
 FIRST JUDICIAL DISTRICT OF PENNSYLVANIA
 CIVIL TRIAL DIVISION

COMMONWEALTH OF PENNSYLVANIA :
 Acting by Attorney General :
 KATHLEEN G. KANE, :
 :
 Plaintiff :
 v. :

July Term, 2015
 No. 2150

150702150

PHILADELPHIA FURNITURE :
 WAREHOUSE, INC., :
 d/b/a Furniture Surplus Warehouse Outlet and :
 d/b/a King Furniture Warehouse :
 5351 Lancaster Avenue :
 Philadelphia, Pennsylvania 19131 :

CIVIL ACTION - EQUITY

and

FURNITURE PLUS, INC., :
 d/b/a Furniture Surplus Warehouse Outlet and :
 d/b/a Furniture Sir-Plus :
 8033 Old York Road, Suite 210 :
 Elkins Park, Pennsylvania 19027 :

and

INTEGRATED FURNITURE SOLUTIONS, :
 LLC, :
 d/b/a Furniture Surplus Warehouse Outlet and :
 d/b/a Furniture Sir-Plus :
 8033 Old York Road, Suite 210 :
 Elkins Park, Pennsylvania 19027 :

and

LANCASTER PROPERTY HOLDINGS, LLC,
d/b/a Furniture Surplus Warehouse Outlet and
d/b/a Furniture Sir-Plus
725 Meetinghouse Road
Elkins Park, Pennsylvania 19027

and

DANIEL ROBERTS, individually, and as
President of Philadelphia Furniture
Warehouse, Inc.
900 North 63rd Street, Apartment NB
Philadelphia, Pennsylvania 19151

and

MARK FINKELSTEIN, individually, and as
an Officer of Furniture Plus, Inc.,
Integrated Furniture Solutions, LLC, and
Lancaster Property Holdings, LLC
45 Buchanan Street
Lakewood, New Jersey 08701

and

CHARLES LEDERMAN, individually, and as
an Officer of Furniture Plus, Inc.,
Integrated Furniture Solutions, LLC, and
Lancaster Property Holdings, LLC
725 Meetinghouse Road
Elkins Park, Pennsylvania 19027

Defendants

**MOTION OF THE COMMONWEALTH OF PENNSYLVANIA FOR A
PRELIMINARY INJUNCTION, ACCOUNTING AND ASSET FREEZE**

AND NOW, comes the Commonwealth of Pennsylvania, Office of Attorney General, by
Kathleen G. Kane , Attorney General, through the Bureau of Consumer Protection and brings
this *Motion for a Preliminary Injunction, Accounting and Asset Freeze* (herein referred to as the
“PI Motion”) pursuant to Pa. R. Civ. P. 1531 and the Pennsylvania *Unfair Trade Practices and*

Consumer Protection Law, 73 P.S. § 201-1, *et seq.* (herein referred to as the “Consumer Protection Law”), which permits the Commonwealth to seek to restrain by temporary and permanent injunction unfair methods of competition and unfair or deceptive acts or practices in the conduct of any trade or commerce declared unlawful by Section 201-3 of the Consumer Protection Law, 73 P.S. § 201-4. In support thereof, the Commonwealth respectfully represents the following:

1. Simultaneous with the filing of this Motion, the Commonwealth has filed a Complaint in the above-captioned matter alleging violations of the Consumer Protection Law, and the Pennsylvania *Fictitious Names Act*, 54 Pa. C.S.A. §§ 301-332 (herein referred to as the “FNA”), which allegations are incorporated herein by reference. A copy of the Commonwealth’s Complaint is attached hereto as Exhibit A.

2. Plaintiff is the Commonwealth of Pennsylvania, acting by Attorney General Kathleen G. Kane, through the Bureau of Consumer Protection (herein referred to as the “Commonwealth” and/or “Plaintiff”), with offices located at 21 South 12th Street, Second Floor, Philadelphia, Pennsylvania 19107.

3. Defendant Philadelphia Furniture Warehouse, Inc. (herein referred to as “PFW” and/or “Defendant PFW” and/or collectively as one of the “Defendants”) is a Pennsylvania for-profit business corporation created on April 9, 2015, registered with the Pennsylvania Department of State, Bureau of Corporations and Charitable Organizations: Corporations Section (herein referred to as “Corporations Bureau”), with a registered business address of 5351 Lancaster Avenue, Philadelphia, Pennsylvania 19131 and which currently operates from 5351 Lancaster Avenue, Philadelphia, Pennsylvania 19131.

4. Defendant Furniture Plus, Inc. (herein referred to as “Furniture Plus” and/or “Defendant Furniture Plus” and/or collectively as one of the “Defendants”) is a Delaware for-profit business corporation, created on November 19, 2010, which is not registered as a foreign corporation with the Corporations Bureau, with an office located at 8033 Old York Road, Suite 210, Elkins Park, Pennsylvania 19027, and which the operating agreement among the shareholders was amended on August 1, 2014, and which operated from 5351 Lancaster Avenue, Philadelphia, Pennsylvania 19131 (herein referred to as “Lancaster Ave Store”); 6595 Roosevelt Boulevard Philadelphia, Pennsylvania 19131 (herein referred to as “Roosevelt Blvd Store”); and 4808 Tacony Street, Philadelphia, Pennsylvania 19135 (herein referred to as “Tacony Store”).

5. Defendant Integrated Furniture Solutions, LLC (herein referred to as “IFS” and/or “Defendant IFS” and/or collectively as one of the “Defendants”) is a Pennsylvania for-profit limited liability company, registered with the Corporations Bureau, formally known as Human Resources & Financial Services, LLC, which was originally created on February 16, 2010 with a registered address of 725 Meetinghouse Road, Elkins Park, Pennsylvania 19027, with an office located at 8033 Old York Road, Suite 210, Elkins Park, Pennsylvania 19027, and which the operating agreement among the members was amended on November 1, 2014, which operated from 5351 Lancaster Avenue, Philadelphia, Pennsylvania 19131; 6595 Roosevelt Boulevard Philadelphia, Pennsylvania 19131; and 4808 Tacony Street, Philadelphia, Pennsylvania 19135.

6. Defendant Lancaster Property Holdings, LLC (herein referred to as “LPH” and/or “Defendant LPH” and/or collectively referred to as one of the “Defendants”) is a Pennsylvania for-profit limited liability company, created on January 14, 2014, registered with the Corporations Bureau, with a registered address of 725 Meetinghouse Road PO Box 30049,

Elkins Park, Pennsylvania 19027, and a principal place of business of 5351 Lancaster Avenue, Philadelphia, Pennsylvania 19131.

7. Defendant Daniel Roberts (herein referred to as “Roberts” and/or “Defendant Roberts” and/or collectively as one of the “Defendants”) is an adult individual residing 900 North 63rd Street, Apartment NB, Philadelphia, Pennsylvania 19151.

8. Defendant Mark Finkelstein (herein referred to as “Finkelstein” and/or “Defendant Finkelstein” and/or collectively as one of the “Defendants”) is an adult individual residing at 45 Buchanan Street, Lakewood, New Jersey 08701.

9. Defendant Charles Lederman (herein referred to as “Lederman” and/or “Defendant Lederman” and/or collectively as one of the “Defendants”) is an adult individual residing at 725 Meetinghouse Road, Elkins Park, Pennsylvania 19027.

10. At all times relevant and material hereto, Defendants Furniture Plus, LPH, IFS, Finkelstein, and Lederman (herein collectively referred to as the “Furniture Sir-Plus Defendants”) have conducted business under the names “Furniture Surplus Warehouse Outlet” and “Furniture Sir-Plus,” which names are not registered to these defendants as fictitious names with the Corporations Bureau.

11. At all times relevant and material hereto, Defendants PFW and Roberts (herein collectively referred to as the “King Furniture Warehouse Defendants”) have conducted business under the names “Furniture Surplus Warehouse Outlet” and “King Furniture Warehouse,” which names are not registered as fictitious names with the Corporations Bureau.

12. Defendant Finkelstein exercised control over and participated in the day-to-day operations of Defendants Furniture Plus, LPH, and IFS.

13. During all time periods relevant and material hereto, Defendant Finkelstein supervised, controlled, approved, authorized, ratified, benefited from and/or otherwise participated in the acts and practices described below herein which constituted violations of the Consumer Protection Law.

14. Defendant Lederman exercised control over and participated in the day-to-day operations of Defendants Furniture Plus, LPH, and IFS.

15. During all time periods relevant and material hereto, Defendant Lederman supervised, controlled, approved, authorized, ratified, benefited from and/or otherwise participated in the acts and practices described below herein which constituted violations of the Consumer Protection Law.

16. Defendant Roberts exercised control over and participated in the day-to-day operations of Defendant PFW.

17. During all time periods relevant and material hereto, Defendant Roberts held himself out to the public as the owner of Defendant PFW, and supervised, controlled, approved, authorized, ratified, benefited from and/or otherwise participated in the acts and practices described below herein which constituted violations of the Consumer Protection Law.

18. Many months prior to closing, the Furniture Sir-Plus Defendants advertised in the Philadelphia Metro Newspaper a “liquidation” sale, “entire inventory up to 70% off!” and that “everything must go!!”

19. Prior to closing, the Furniture Sir-Plus Defendants collected a substantial sum of deposit/layaway monies from certain consumers who had not yet completed payments for the furniture.

20. Prior to closing, the Furniture Sir-Plus Defendants also collected a substantial sum of monies from certain consumers who completed all payments for the furniture placed on layaway.

21. Prior to closing, the Furniture Sir-Plus Defendants collected a substantial sum of money from certain customers who paid in full for furniture to be delivered at a later date.

22. In certain cases, the Furniture Sir-Plus Defendants promised consumers that their furniture would be delivered by a certain date, but failed to deliver the furniture by such dates.

23. In many cases, the Furniture Sir-Plus Defendants intentionally made false representations to consumers about the delivery dates of their furniture, upon which consumers relied to their detriment, in order to persuade consumers to pay deposits to the Furniture Sir-Plus Defendants, for the purchase of the furniture.

24. The Furniture Sir-Plus Defendants' conduct, practices and representations constitute obtaining monies under false pretenses and through false representations, and/or constitute fraud.

25. Facing cash flow problems, the Furniture Sir-Plus Defendants closed the Roosevelt Blvd Store and the Tacony Store, and moved all inventory to the Lancaster Ave Store.

26. Upon information and belief, the Furniture Sir-Plus Defendants continued to take money and/or deposits/ layaway payments from certain consumers for furniture to be delivered at a later date, including from consumers who visited the Roosevelt Blvd Store and Tacony Store, up until the day of closing.

27. The Furniture Sir-Plus Defendants failed to inform consumers who made deposits/layaway payments and/or purchased furniture to be delivered at a later date that they

were suffering cash-flow problems and/or that the Roosevelt Blvd Store and Tacony Store were closing.

28. Upon closing, the Furniture Sir-Plus Defendants failed to make reasonable efforts to notify consumers who had made deposits/layaway payments and/or purchased furniture to be delivered at a later date that the Furniture Sir-Plus Defendants had closed.

29. The Furniture Sir-Plus Defendants failed to deliver furniture to certain layaway customers who had completed all payments for their furniture.

30. The Furniture Sir-Plus Defendants failed to deliver furniture to certain customers who paid in full for delivery at a later date.

31. The Furniture Sir-Plus Defendants failed to provide timely refunds to certain consumers who had paid amounts as deposits and/or layaway funds towards the purchase of furniture from the Furniture Sir-Plus Defendants but did not receive the furniture.

32. The Furniture Sir-Plus Defendants failed to provide timely refunds to certain consumers who paid in full for furniture but did not receive the furniture ordered.

33. The Furniture Sir-Plus Defendants ceased operations at some time on or around April 20, 2015.

34. The King Furniture Warehouse Defendants took possession and control of floor models of furniture of the Furniture Sir-Plus Defendants and furniture that had been paid for by consumers but not yet delivered by the Furniture Sir-Plus Defendants, at some time on or around April 20, 2015, and at that same time, began operating the furniture retail business out of the Lancaster Ave location.

35. At least for a certain amount of time after the Furniture Sir-Plus Defendants closed, the King Furniture Warehouse Defendants maintained the same telephone number and telephone system as were previously used by the Furniture Sir-Plus Defendants.

36. At least for a certain amount of time after the Furniture Sir-Plus Defendants closed, the King Furniture Warehouse Defendants retained some of the same employees who had previously worked for the Furniture Sir-Plus Defendants.

37. The King Furniture Warehouse Defendants have accessibility to the computer system of the Furniture Sir-Plus Defendants for all prior orders placed and/or paid for by consumers through the Furniture Sir-Plus Defendants.

38. The King Furniture Warehouse Defendants failed to make reasonable efforts to notify consumers who had made deposits/layaway payments and/or purchased furniture to be delivered at a later date that the Furniture Sir-Plus Defendants had closed and that consumers could obtain their furniture from the King Furniture Warehouse Defendants.

39. The King Furniture Warehouse Defendants failed to deliver furniture to certain layaway customers who had completed all payments for the furniture.

40. The King Furniture Warehouse Defendants failed to deliver furniture to certain customers who paid in full for delivery at a later date.

41. The King Furniture Warehouse Defendants failed to provide timely refunds to certain consumers who had paid amounts as deposits and/or layaway funds towards the purchase of furniture from the Furniture Sir-Plus Defendants but did not receive the furniture.

42. The King Furniture Warehouse Defendants failed to provide timely refunds to certain consumers who paid in full for furniture but did not receive the furniture ordered.

43. The unlawful acts and practices of the King Furniture Warehouse Defendants complained of herein were carried out pursuant to Defendant Roberts' direction and control, and Defendant Roberts directly participated in such unlawful acts and practices.

44. The unlawful acts and practices of the Furniture Sir-Plus Defendants complained of herein were carried out pursuant to Defendant Finkelstein's direction and control, and Defendant Finkelstein directly participated in such unlawful acts and practices.

45. The unlawful acts and practices of the Furniture Sir-Plus Defendants complained of herein were carried out pursuant to Defendant Lederman's direction and control, and Defendant Lederman directly participated in such unlawful acts and practices.

46. The Pennsylvania Bureau of Consumer Protection (herein referred to as the "Bureau") has received numerous consumer complaints against Defendants' business practices.

47. Some of the consumer complaints were submitted by consumers who were age sixty (60) or older at the time of the transaction with Defendants.

48. The Commonwealth has reason to believe that Defendants have used, are using, or are about to use methods, acts or practices declared unlawful by Section 201-3 of the Consumer Protection Law.

49. The Commonwealth believes and therefore avers that there are additional consumers who have not filed complaints with the Bureau and have also been harmed due to the methods, acts and practices of Defendants, which include, but are not limited to, those as alleged herein.

50. The Commonwealth believes that the public interest is served by seeking a permanent injunction from this Honorable Court to restrain the methods, acts and practices of the

Defendants. The Commonwealth believes that the public is suffering and will continue to suffer harm unless the acts and practices complained of herein are permanently enjoined.

51. The Commonwealth believes and, therefore, avers that each and every one of the Defendants herein affirmatively engaged in conduct which facilitated and accomplished the fraudulent scheme which resulted in a loss of thousands of dollars to Pennsylvania consumers.

52. The Commonwealth believes and, therefore, avers that each and every one of the Defendants profited from his participation in the fraudulent scheme, in accordance with the allegations set forth in the Complaint, the allegations of which are incorporated herein by reference (*see*, Exhibit A).

53. By engaging in the acts and practices alleged in the Commonwealth's Complaint and herein, Defendants have violated Sections 201-2(4)(ii), (iii), (v), and (xxi) of the Consumer Protection Law. 73 P.S. § 201-2(4)(ii), (iii), (v), and (xxi).

54. Section 201-4 of the Consumer Protection Law specifically vests the Office of Attorney General with the authority to seek temporary injunctions when it has reason to believe that Section 201-3 of the Consumer Protection Law is violated. 73 P.S. § 201-4.

55. Section 201-4.1 of the Consumer Protection Law authorizes the court to direct a defendant to "restore to any person in interest any moneys or property, real or personal, which may have been acquired by means of any violation of this act..." 73 P.S. § 201-4.1

56. The Commonwealth seeks a temporary injunction in the form of an asset freeze in order to prevent assets owed to consumers under the Section 201-4.1 of Consumer Protection Law from being dissipated, misapplied, liquidated or otherwise converted to the personal or other use of Defendants.

57. The six (6) prerequisites of the preliminary injunction are as follows:

- a. that the injunction is necessary to prevent immediate and irreparable harm that cannot be adequately compensated by damages;
- b. that greater injury would result from refusing an injunction than from granting it, and, concomitantly, that issuance of an injunction will not substantially harm other interested parties in the proceedings;
- c. that a preliminary injunction will properly restore the parties to their status as it existed immediately prior to the alleged wrongful conduct;
- d. that the activity it seeks to restrain is actionable, that its right to relief is clear, and that the wrong is manifest, or, in other words, must show that it is likely to prevail on the merits;
- e. that the injunction it seeks is reasonably suited to abate the offending activity; and
- f. that a preliminary injunction will not adversely affect the public interest.

See Warehime v. Warehime, 580 Pa. 201, 209, 860 A.2d 41, 46-47 (Pa. 2004).

58. Courts of this Commonwealth have routinely held that statutory violations *per se* constitute irreparable harm and that the Commonwealth may seek a preliminary injunction to prohibit conduct declared unlawful by the legislature without independently proving irreparable injury. *See P.U.C. v. Israel*, 356 Pa. 400, 406, 52 A.2d 317, 321 (1947).

59. As such, by violating the Consumer Protection Law, Defendants have inflicted irreparable harm upon consumers and upon the Commonwealth.

60. Further, the Commonwealth has reason to believe that Defendants intend to liquidate all furniture currently in their possession as soon as possible. Some of the furniture to be liquidated which has been paid in full or in part by consumers but not yet delivered. Some of the furniture Defendants intend on liquidating has already been purchased by consumers and

represents monies owed to consumers, which the Commonwealth believes will be dissipated, misapplied, liquidated or otherwise converted absent an asset freeze.

61. Upon information and belief, the monies obtained by Defendants from consumers for furniture to be ordered have been used to purchase new floor models, pay utility bills, pay employee wages, and pay mortgage payments on the building from which the furniture business currently operates.

62. Further, the website for the Furniture Sir-Plus Defendants remains as a functional website, which appears to allow consumers to access and attempt to submit orders for furniture, more reason to believe that consumers may be further harmed. A true and correct copy of the website at <http://myfurnituresirplus.com/> is attached hereto and incorporated herein as Exhibit B.

63. As such, absent the preliminary injunctive relief and an asset freeze as requested herein, the Commonwealth believes it will be unable to recover the money rightfully owed to citizens of the Commonwealth.

64. The relief the Commonwealth is seeking pursuant to the Consumer Protection Law allows the court to restore to individuals funds that were acquired by violation of said Law. *See* 73 P.S. § 201-4.1.

65. Greater injury will result to citizens of the Commonwealth if the requested injunction and asset freeze are not granted, in that the money unjustly obtained by Defendants from consumers will no longer be available.

66. The requested preliminary injunctive relief and the asset freeze would restore the parties to the *status quo* wherein Defendants were not in unlawful possession of consumers' money.

67. Consumers within the Commonwealth who deserve restitution will suffer irreparable harm if the Defendants are permitted to squander the monies that they received unlawfully; and, are not subject to an injunction and an asset freeze pending the trial of the Commonwealth's Complaint, in order to prevent the dissipation, misapplication, liquidation or other conversion of the consumers' monies.

68. Given the large number of potential refunds and of potential violations and civil penalties, the possibility of an unsatisfied money judgment exists in this matter.

69. The possibility of an unsatisfied money judgment in and of itself can constitute irreparable harm. *See Hoxworth v. Blinder Robinson & Co., Inc.*, 903 F.2d 186, 205 (3rd Cir. 1990). *See also, Ambrogi v. Reber*, 932 A.2d 969 (Pa.Super. 2007) (the entry of a preliminary injunction for the purpose of enjoining the dissipation of assets in anticipation of a lawsuit is not a novel event).

70. As the Commonwealth is likely to prevail on the merits of its claim, the Commonwealth is also likely to recover consumer restitution under 73 P.S. § 201-4.1.

71. It is therefore necessary to preserve the assets that Defendants wrongfully collected from consumers so that these assets are available to appropriately satisfy any final order granting consumer restitution.

72. The requested injunction is reasonably suited to abate the offending activity in that Defendants will not be able to dissipate or misapply assets rightfully owed to consumers.

73. Since the requested injunction and asset freeze merely seek to prevent Defendants from receiving monies and/or payments for or pertaining to the sale of furniture and depleting or misapplying assets rightfully owed to citizens of the Commonwealth under Pennsylvania law,

the requested injunction and asset freeze will not adversely affect the public interest; rather, the injunction is necessary in order to protect the public from irreparable harm.

74. This Court has the authority under Pa. R.C.P. No. 1531 and Section 201-4 of the Consumer Protection Law to issue a preliminary injunction if it finds that immediate and irreparable injury will be sustained. The Defendants' violations of the Consumer Protection Law, which provides for temporary injunctive relief, and the potential for an unsatisfied money judgment constitute the immediate and irreparable injury.

WHEREFORE, the Commonwealth respectfully requests that this Honorable Court grant the *Commonwealth's Motion for a Preliminary Injunction and for Asset Freeze* and enter an Order directing temporary injunctive relief and freezing of assets of Defendants, including:

A. Temporarily restraining and enjoining said Defendants and their agents, attorneys, servants, employees, distributors and any other persons in active concert or participation with said Defendants who receive actual notice of this Order from receiving monies and/or payments for, or pertaining to, the sale of furniture;

B. Requiring said Defendants and their agents, attorneys, servants, employees and any other persons in active concert or participation with said Defendants who receive actual notice of this Order to provide the Commonwealth within forty-eight (48) hours of service of the Order to provide an accounting, with a full and complete disclosure of all assets owned, whether wholly or in part, or under his or her control, and the locations thereof, including but not limited to, the identification of bank, brokerage or investment accounts, which are: (1) owned, possessed or controlled by any of said Defendants; (2) held for the benefit of any of said Defendants; or (3) owned, possessed or controlled by any person or entity directly or indirectly under any of said Defendants' control;

C. Temporarily freezing any and all property or monies in any accounts identified pursuant to Paragraph B, above, which are: (1) owned, possessed or controlled by any of said Defendants; (2) held for the benefit of any of said Defendants; or (3) owned, possessed or controlled by any person or entity directly or indirectly under any of said Defendants' control. Funds shall be released from these accounts upon approval of the Court after petition and hearing;

D. Temporarily restraining and enjoining said Defendants and enjoining their agents, attorneys, servants, employees, distributors and any other persons in active concert or participation with said Defendants who receive actual notice of this Order from selling, transferring, encumbering, loaning, concealing, dissipating, converting, withdrawing, or making any other disposition of any funds, credit instruments, real or personal property, the contents of any safe deposit boxes, or other assets or any interest therein, whenever acquired and wherever located, which are: (1) owned, possessed or controlled by any of said Defendants; (2) held for the benefit of any of said Defendants; or (3) owned, possessed or controlled by any person or entity directly or indirectly under any of said Defendants' control;

E. Temporarily restraining and enjoining said Defendants and enjoining their agents, attorneys, servants, employees and any other person in active concert or participation with said Defendants who receive actual notice of this Order from destroying, concealing, altering, transferring or otherwise disposing of any documents or records, stored on any medium, that relate in any way to the business practices or business or personal finances of any of said Defendants or entity directly or indirectly under any of said Defendants' control;

F. Temporarily restraining and enjoining said Defendants and enjoining their agents, attorneys, servants, employees and any other person in active concert or participation with said

Defendants who receive actual notice of this Order from failing to keep books, records, and accounts which, in reasonable detail, accurately reflects the incomes, disbursements, transactions and use of monies by any of said Defendants or other entity directly or indirectly under any of said Defendants' control;

G. Temporarily requiring that any bank or financial institution, brokerage house, escrow agent, money market or mutual fund, commodity trading company, title company, common carrier, storage company, trustee, mail receiving agent, or any other person or other entity served with a copy of this Order by any means including, but not limited to, facsimile, electronic mail, overnight delivery or hand delivery, shall: (1) hold and retain within such entity's or person's control, and prohibit the withdrawal, assignment, transfer, encumbrance, disbursement, sale, or other disposal of any assets or documents held by such entity or person on behalf of, for the benefit of, or subject to access or use by any of said Defendants; and (2) deny access to any safe deposit boxes held by such entity or person on behalf of, for the benefit of, or subject to access or use by any of said Defendants;

H. Temporarily requiring that any bank or financial institution, brokerage house, escrow agent, money market or mutual fund, commodity trading company, title company, common carrier, storage company, trustee, mail receiving agent, or any other person or other entity served with a copy of this Order by any means including, but not limited to, facsimile, overnight delivery or hand delivery, shall provide the Commonwealth, within four business days after service of this Order, a statement setting forth: (1) an identification of each account or asset titled in the name, individually or jointly, or held on behalf of, or for the benefit of, any of said Defendants; (2) the balance of each such account, or a description of the nature and value of such asset; (3) an identification of any safe deposit box that is either titled in the name of, individually

or jointly, or is otherwise subject to access or control by, any of said Defendants; and (4) if an account, safe deposit box, or other asset has been closed or removed, the date closed or removed, and the balance on said date. The accounts subject to this section include existing assets and assets deposited after the effective date of this Order;

I. Requiring that each of said Defendants shall, within five business days after receiving actual notice of this Order, prepare and serve upon the Commonwealth a financial statement. Each such financial statement shall include: (1) a complete schedule of all assets and liabilities, itemized by type, location and value (including names and addresses of financial institutions and account numbers); and (2) a list of all transfers and assignments of assets and property valued in excess of \$2,500 since January 1, 2014, indicating the name and address of the transferee or assignee, the value of the transfer or assignment, and the type and value of any consideration paid to said Defendant; and, (3) a verification from each said Defendant that the information he or she has provided has been provided subject to the penalty of perjury under 18 Pa.C.S. § 4904. Each such financial statement shall be served upon Commonwealth by facsimile or overnight delivery.

J. Requiring Defendants to disable and take any and all actions necessary to prevent consumers from being access any and all websites used by Defendants to sell furniture.

K. Scheduling a hearing pursuant to Pa.R.C.P. No. 1531(a) to consider the Commonwealth's request for preliminary injunctive relief.

L. Granting such further relief as this Court deems appropriate to effectuate the purposes of the Consumer Protection Law.

Respectfully Submitted,

COMMONWEALTH OF PENNSYLVANIA
KATHLEEN G. KANE
ATTORNEY GENERAL

Date: 17 July 2015

By: 

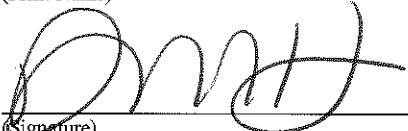
SARAH A. E. FRASCH
Senior Deputy Attorney General
PA Attorney ID #203529
Pennsylvania Office of Attorney General
Bureau of Consumer Protection
21 South 12th St., Second Floor
Philadelphia, Pennsylvania 19107
Telephone: (215) 560-2414
Facsimile: (215) 560-2494

VERIFICATION

I, Ann-Marie Hannam hereby state that I am an Agent with the Office of Attorney General, Bureau of Consumer Protection, and am authorized to make this verification on behalf of the Plaintiff in the within Motion. I hereby verify that the facts set forth in the foregoing Motion are true and correct to the best of my knowledge or information and belief.

I understand that the statements contained herein are subject to the penalties of 18 Pa. C.S.A. § 4904 relating to unsworn falsification to authorities.

Ann-Marie Hannam
(Print Name)


(Signature)

Date: 7-17-15

Exhibit A

Court of Common Pleas of Philadelphia County
 Trial Division
Civil Cover Sheet

For Prothonotary Use Only (Docket Number)
JULY 2015
002150
 E-Filing Number: 1507039162

PLAINTIFF'S NAME
 COMM OF PA, OFFC OF ATTY GEN, BUREAU OF
 CONSUMER PROTECTION

DEFENDANT'S NAME
 PHILADELPHIA FURNITURE WAREHOUSE, INC., ALIAS:
 KING FURNITURE WAREHOUSE

PLAINTIFF'S ADDRESS
 21 SOUTH 12TH STREET 2ND FLOOR
 PHILADELPHIA PA 19107

DEFENDANT'S ADDRESS
 5351 LANCASTER AVENUE
 PHILADELPHIA PA 19131

PLAINTIFF'S NAME

DEFENDANT'S NAME
 FURNITURE PLUS, INC., ALIAS: FURNITURE SIR-
 PLUS

PLAINTIFF'S ADDRESS

DEFENDANT'S ADDRESS
 8033 OLD YORK ROAD SUITE 210
 ELKINS PARK PA 19027

PLAINTIFF'S NAME

DEFENDANT'S NAME
 INTEGRATED FURNITURE SOLUTIONS, LLC, ALIAS:
 FURNITURE SIR-PLUS

PLAINTIFF'S ADDRESS

DEFENDANT'S ADDRESS
 8033 OLD YORK ROAD SUITE 210
 ELKINS PARK PA 19027

TOTAL NUMBER OF PLAINTIFFS
 1

TOTAL NUMBER OF DEFENDANTS
 7

COMMENCEMENT OF ACTION
 Complaint Petition Action Notice of Appeal
 Writ of Summons Transfer From Other Jurisdictions

AMOUNT IN CONTROVERSY
 \$50,000.00 or less
 More than \$50,000.00

COURT PROGRAMS
 Arbitration Mass Tort Commerce Settlement
 Jury Savings Action Minor Court Appeal Minors
 Non-Jury Petition Statutory Appeals W/D/Survival
 Other:

CASE TYPE AND CODE
 E1 - EQUITY - NO REAL ESTATE

STATUTORY BASIS FOR CAUSE OF ACTION

RELATED PENDING CASES (LIST BY CASE CAPTION AND DOCKET NUMBER)

**FILED
 PRO PROTHY
 JUL 20 2015
 K. EDWARDS**

IS CASE SUBJECT TO
 COORDINATION ORDER?
 YES NO

TO THE PROTHONOTARY:
 Kindly enter my appearance on behalf of Plaintiff/Petitioner/Appellant: COMM OF PA, OFFC OF ATTY GEN,
 BUREAU OF CONSUMER PROTECTION
 Papers may be served at the address set forth below.

NAME OF PLAINTIFF'S/PETITIONER'S/APPELLANT'S ATTORNEY
 SARAH A E. FRASCH

ADDRESS
 BUREAU OF CONSUMER PROTECTION
 21 S 12TH ST 2ND FLOOR
 PHILADELPHIA PA 19107

PHONE NUMBER
 (215) 560-2414

FAX NUMBER
 (215) 560-2494

SUPREME COURT IDENTIFICATION NO.
 203529

E-MAIL ADDRESS
 sfracsch@attorneygeneral.gov

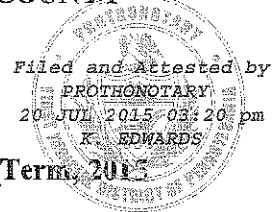
SIGNATURE OF FILING ATTORNEY OR PARTY
 SARAH FRASCH

DATE SUBMITTED
 Monday, July 20, 2015, 03:20 pm

COMPLETE LIST OF DEFENDANTS:

1. PHILADELPHIA FURNITURE WAREHOUSE, INC.
ALIAS: KING FURNITURE WAREHOUSE
5351 LANCASTER AVENUE
PHILADELPHIA PA 19131
2. FURNITURE PLUS, INC.
ALIAS: FURNITURE SIR-PLUS
8033 OLD YORK ROAD SUITE 210
ELKINS PARK PA 19027
3. INTEGRATED FURNITURE SOLUTIONS, LLC
ALIAS: FURNITURE SIR-PLUS
8033 OLD YORK ROAD SUITE 210
ELKINS PARK PA 19027
4. LANCASTER PROPERTY HOLDINGS, LLC
ALIAS: FURNITURE SIR-PLUS
725 MEETINGHOUSE ROAD
ELKINS PARK PA 19027
5. DANIEL ROBERTS
900 NORTH 63RD STREET APARTMENT NB
PHILADELPHIA PA 19151
6. MARK FINKELSTEIN
45 BUCHANAN STREET
LAKEWOOD NJ 08701
7. CHARLES LEDERMAN
725 MEETINGHOUSE ROAD
ELKINS PARK PA 19027

IN THE COURT OF COMMON PLEAS OF PHILADELPHIA COUNTY
FIRST JUDICIAL DISTRICT OF PENNSYLVANIA
CIVIL TRIAL DIVISION



COMMONWEALTH OF PENNSYLVANIA :
Acting by Attorney General :
KATHLEEN G. KANE, :

Plaintiff :

v. :

PHILADELPHIA FURNITURE :
WAREHOUSE, INC., :
d/b/a Furniture Surplus Warehouse Outlet and :
d/b/a King Furniture Warehouse :
5351 Lancaster Avenue :
Philadelphia, Pennsylvania 19131 :

and :

FURNITURE PLUS, INC., :
d/b/a Furniture Surplus Warehouse Outlet and :
d/b/a Furniture Sir-Plus :
8033 Old York Road, Suite 210 :
Elkins Park, Pennsylvania 19027 :

and :

INTEGRATED FURNITURE SOLUTIONS, :
LLC, :
d/b/a Furniture Surplus Warehouse Outlet and :
d/b/a Furniture Sir-Plus :
8033 Old York Road, Suite 210 :
Elkins Park, Pennsylvania 19027 :

and :

LANCASTER PROPERTY HOLDINGS, LLC, :
d/b/a Furniture Surplus Warehouse Outlet and :
d/b/a Furniture Sir-Plus :
725 Meetinghouse Road :
Elkins Park, Pennsylvania 19027 :

and :

DANIEL ROBERTS, individually, and as :

No. _____

CIVIL ACTION – EQUITY

President of Philadelphia Furniture Warehouse, Inc. :
900 North 63rd Street, Apartment NB :
Philadelphia, Pennsylvania 19151 :

and :

MARK FINKELSTEIN, individually, and as :
an Officer of Furniture Plus, Inc., :
Integrated Furniture Solutions, LLC, and :
Lancaster Property Holdings, LLC :
45 Buchanan Street :
Lakewood, New Jersey 08701 :

and :

CHARLES LEDERMAN, individually, and as :
an Officer of Furniture Plus, Inc., :
Integrated Furniture Solutions, LLC, and :
Lancaster Property Holdings, LLC :
725 Meetinghouse Road :
Elkins Park, Pennsylvania 19027 :

Defendants :

NOTICE TO DEFEND

You have been sued in court. If you wish to defend against the claims set forth in the following pages, you must take action **within twenty (20) days** after this Complaint and Notice are served, by entering a written appearance personally or by attorney and filing in writing with the court your defenses or objections to the claims set forth against you. You are warned that if you fail to do so the case may proceed without you, and a judgment may be entered against you without further notice for any money claimed in the Complaint or for any other claim or relief requested by the Plaintiff. You may lose money or property or other rights important to you.

YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT ONCE. IF YOU DO NOT HAVE A LAWYER, GO TO OR TELEPHONE THE OFFICES SET FORTH BELOW. THIS OFFICE CAN PROVIDE YOU WITH INFORMATION ABOUT HIRING A LAWYER.

IF YOU CANNOT AFFORD TO HIRE A LAWYER, THIS OFFICE MAY BE ABLE TO PROVIDE YOU WITH INFORMATION ABOUT AGENCIES THAT MAY OFFER LEGAL SERVICES TO ELIGIBLE PERSONS AT A REDUCED FEE OR NO FEE.

Lawyer Referral and Information Service
Philadelphia Bar Association
1101 Market Street, 11th Floor
Philadelphia, Pennsylvania 19107
(215) 238-6333
www.philadelphiabar.org

PA Bar Association: www.pabar.org

AVISO

Le han demandado a usted en la corte. Si usted quiere defenderse de estas demandas expuestas en las páginas siguientes, usted tiene veinte (20) días de plazo al partir de la fecha de la demanda y la notificación. Hace falta asentar una comparencia escrita o en persona o con un abogado y entregar a la corte en forma escrita sus defenses o sus objections a las demandas en contra de su persona. Sea avisado que si usted no se defiende, la corte tomará medidas y puede continuar la demanda en contra suya sin previo aviso o notificación. Además, la corte puede decidir a favor del demandante y require que usted cumpla con todas las provisiones de esta demanda. Usted puede perder dinero o sus propiedades u otros derechos importantes para usted.

**USTED LE DEBE TOMAR ESTA NOTA A SU ABOGADO
INMEDIATAMENTE. SI USTED NO TIENE A UN ABOGADO NI NO PUEDE
PROPORCIONAR UNO, IR A NI TELEFONEAR EL CONJUNTO DE LA OFICINA
(OFICINAS) ADELANTE ABAJO. ESTA OFICINA LO PUEDE PROPORCIONAR
CON INFORMACION ACERCA DE EMPLEAR A UN ABOGADO.**

**SI USTED NO PUEDE PROPORCIONA PARA EMPLEAR UN ABOGADO,
ESTE MAYO DE LA OFICINA ES CAPAZ DE PROPORCIONARLO CON
INFORMACION ACERCA DE AGENCIAS ESA OFERTA DE MAYO LOS SERVICIOS
LEGALES A PERSONAS ELEGIBLES EN UN HONORARIO REDUCIDO.**

**ASOCIACION DE LICENCIADOS DE FILADELFIA
SERVICIO DE REFERENCIA E INFORMACION LEGAL
1101 Market Street, 11th Floor
Philadelphia, Pennsylvania 19107
Telephone (215) 238-1701**

**SARAH A. E. FRASCH
Senior Deputy Attorney General
PA Attorney I.D. #203529
Office of Attorney General
Bureau of Consumer Protection
21 South 12th Street, 2nd Floor
Philadelphia, Pennsylvania 19107
215-560-2414
*Attorney for Plaintiff***

**THIS IS NOT A COMPULSORY ARBITRATION
CASE - This case has been brought by the
Commonwealth of Pennsylvania under the
Pennsylvania *Unfair Trade Practices and Consumer
Protection Law*, 73 P.S. § 201-1, *et seq.*
AN ASSESSMENT OF DAMAGES
HEARING IS REQUIRED**

SARAH A. E. FRASCH
Senior Deputy Attorney General
PA Attorney I.D. #203529
Office of Attorney General
Bureau of Consumer Protection
21 South 12th Street, 2nd Floor
Philadelphia, Pennsylvania 19107
215-560-2414
Attorney for Plaintiff

**IN THE COURT OF COMMON PLEAS OF PHILADELPHIA COUNTY
FIRST JUDICIAL DISTRICT OF PENNSYLVANIA
CIVIL TRIAL DIVISION**

COMMONWEALTH OF PENNSYLVANIA :
Acting by Attorney General : _____ **Term, 2015**
KATHLEEN G. KANE, :
: **No.** _____
: **Plaintiff** :
: **v.** :
: :
PHILADELPHIA FURNITURE :
WAREHOUSE, INC., :
d/b/a Furniture Surplus Warehouse Outlet and :
d/b/a King Furniture Warehouse :
5351 Lancaster Avenue :
Philadelphia, Pennsylvania 19131 : **CIVIL ACTION – EQUITY**
: :
and :
: :
FURNITURE PLUS, INC., :
d/b/a Furniture Surplus Warehouse Outlet and :
d/b/a Furniture Sir-Plus :
8033 Old York Road, Suite 210 :
Elkins Park, Pennsylvania 19027 :
: :
and :
: :

INTEGRATED FURNITURE SOLUTIONS, LLC,
d/b/a Furniture Surplus Warehouse Outlet and
d/b/a Furniture Sir-Plus
8033 Old York Road, Suite 210
Elkins Park, Pennsylvania 19027

and

LANCASTER PROPERTY HOLDINGS, LLC,
d/b/a Furniture Surplus Warehouse Outlet and
d/b/a Furniture Sir-Plus
725 Meetinghouse Road
Elkins Park, Pennsylvania 19027

and

**DANIEL ROBERTS, individually, and as
President of Philadelphia Furniture
Warehouse, Inc.**
900 North 63rd Street, Apartment NB
Philadelphia, Pennsylvania 19151

and

**MARK FINKELSTEIN, individually, and as
an Officer of Furniture Plus, Inc.,
Integrated Furniture Solutions, LLC, and
Lancaster Property Holdings, LLC**
45 Buchanan Street
Lakewood, New Jersey 08701

and

**CHARLES LEDERMAN, individually, and as
an Officer of Furniture Plus, Inc.,
Integrated Furniture Solutions, LLC, and
Lancaster Property Holdings, LLC**
725 Meetinghouse Road
Elkins Park, Pennsylvania 19027

Defendants

COMPLAINT

AND NOW, comes the Commonwealth of Pennsylvania by Attorney General Kathleen G. Kane, through the Bureau of Consumer Protection, which brings this action on behalf of the Commonwealth pursuant to the provisions of the Pennsylvania *Unfair Trade Practices and Consumer Protection Law*, 73 P.S. § 201-1, *et seq.* (herein referred to as the “Consumer Protection Law”), to restrain by permanent injunction unfair methods of competition or unfair or deceptive acts or practices in the conduct of any trade or commerce declared unlawful by the Consumer Protection Law.

The Commonwealth seeks restitution pursuant to Section 201-4.1 of the Consumer Protection Law. Additionally, the Commonwealth seeks appropriate civil penalties pursuant to Section 201-8(b) of the Consumer Protection Law for all violations of said Law, and other equitable relief as authorized by law.

In support thereof, the Commonwealth respectfully represents the following:

JURISDICTION

1. This Court has original jurisdiction over this action pursuant to Section 931 of the Judicial Code, 42 Pa. C.S.A. § 931(a).

VENUE

2. Venue lies with this Court pursuant to Pa. R.C.P. 1006(c)(1).

THE PARTIES

3. Plaintiff is the Commonwealth of Pennsylvania, acting by Attorney General Kathleen G. Kane, through the Bureau of Consumer Protection (herein referred to as the “Commonwealth” and/or “Plaintiff”), with offices located at 21 South 12th Street, Second Floor, Philadelphia, Pennsylvania 19107.

4. Defendant Philadelphia Furniture Warehouse, Inc. (herein referred to as “PFW” and/or “Defendant PFW” and/or collectively as one of the “Defendants”) is a Pennsylvania for-profit business corporation created on April 9, 2015, registered with the Pennsylvania Department of State, Bureau of Corporations and Charitable Organizations: Corporations Section (herein referred to as “Corporations Bureau”), with a registered business address of 5351 Lancaster Avenue, Philadelphia, Pennsylvania 19131 and which currently operates from 5351 Lancaster Avenue, Philadelphia, Pennsylvania 19131.

5. Defendant Furniture Plus, Inc. (herein referred to as “Furniture Plus” and/or “Defendant Furniture Plus” and/or collectively as one of the “Defendants”) is a Delaware for-profit business corporation, created on November 19, 2010, which is not registered as a foreign corporation with the Corporations Bureau, with an office located at 8033 Old York Road, Suite 210, Elkins Park, Pennsylvania 19027, and which the operating agreement among the shareholders was amended on August 1, 2014, and which operated from 5351 Lancaster Avenue, Philadelphia, Pennsylvania 19131 (herein referred to as “Lancaster Ave Store”); 6595 Roosevelt Boulevard Philadelphia, Pennsylvania 19131 (herein referred to as “Roosevelt Blvd Store”); and 4808 Tacony Street, Philadelphia, Pennsylvania 19135 (herein referred to as “Tacony Store”).

6. Defendant Integrated Furniture Solutions, LLC (herein referred to as “IFS” and/or “Defendant IFS” and/or collectively as one of the “Defendants”) is a Pennsylvania for-profit limited liability company, registered with the Corporations Bureau, formally known as Human Resources & Financial Services, LLC, which was originally created on February 16, 2010 with a registered address of 725 Meetinghouse Road, Elkins Park, Pennsylvania 19027, with an office located at 8033 Old York Road, Suite 210, Elkins Park, Pennsylvania 19027, and which the operating agreement among the members was amended on November 1, 2014, which operated

from 5351 Lancaster Avenue, Philadelphia, Pennsylvania 19131; 6595 Roosevelt Boulevard Philadelphia, Pennsylvania 19131; and 4808 Tacony Street, Philadelphia, Pennsylvania 19135.

7. Defendant Lancaster Property Holdings, LLC (herein referred to as “LPH” and/or “Defendant LPH” and/or collectively referred to as one of the “Defendants”) is a Pennsylvania for-profit limited liability company, created on January 14, 2014, registered with the Corporations Bureau, with a registered address of 725 Meetinghouse Road PO Box 30049, Elkins Park, Pennsylvania 19027, and a principal place of business of 5351 Lancaster Avenue, Philadelphia, Pennsylvania 19131.

8. Defendant Daniel Roberts (herein referred to as “Roberts” and/or “Defendant Roberts” and/or collectively as one of the “Defendants”) is an adult individual residing 900 North 63rd Street, Apartment NB, Philadelphia, Pennsylvania 19151.

9. Defendant Mark Finkelstein (herein referred to as “Finkelstein” and/or “Defendant Finkelstein” and/or collectively as one of the “Defendants”) is an adult individual residing at 45 Buchanan Street, Lakewood, New Jersey 08701.

10. Defendant Charles Lederman (herein referred to as “Lederman” and/or “Defendant Lederman” and/or collectively as one of the “Defendants”) is an adult individual residing at 725 Meetinghouse Road, Elkins Park, Pennsylvania 19027.

BACKGROUND

11. This case involves the Defendants operating a furniture business from various locations in Philadelphia, under several different business entities and names, which accepted monies from consumers and failed to deliver the furniture to the consumers or provide refunds to the consumers for furniture that was not delivered.

12. At all times relevant and material hereto, Defendants Furniture Plus, LPH, IFS,

Finkelstein, and Lederman (herein collectively referred to as the “Furniture Sir-Plus Defendants”) have conducted business under the names “Furniture Surplus Warehouse Outlet” and “Furniture Sir-Plus,” which names are not registered to these defendants as fictitious names with the Corporations Bureau.

13. At all times relevant and material hereto, Defendants PFW and Roberts (herein collectively referred to as the “King Furniture Warehouse Defendants”) have conducted business under the names “Furniture Surplus Warehouse Outlet” and “King Furniture Warehouse,” which names are not registered as fictitious names with the Corporations Bureau.

14. Defendant Finkelstein exercised control over and participated in the day-to-day operations of Defendants Furniture Plus, LPH, and IFS.

15. During all time periods relevant and material hereto, Defendant Finkelstein supervised, controlled, approved, authorized, ratified, benefited from and/or otherwise participated in the acts and practices described below herein which constituted violations of the Consumer Protection Law.

16. Defendant Lederman exercised control over and participated in the day-to-day operations of Defendants Furniture Plus, LPH, and IFS.

17. During all time periods relevant and material hereto, Defendant Lederman supervised, controlled, approved, authorized, ratified, benefited from and/or otherwise participated in the acts and practices described below herein which constituted violations of the Consumer Protection Law.

18. Defendant Roberts exercised control over and participated in the day-to-day operations of Defendant PFW.

19. During all time periods relevant and material hereto, Defendant Roberts held

himself out to the public as the owner of Defendant PFW, and supervised, controlled, approved, authorized, ratified, benefited from and/or otherwise participated in the acts and practices described below herein which constituted violations of the Consumer Protection Law.

20. Many months prior to closing, the Furniture Sir-Plus Defendants advertised in the Philadelphia Metro Newspaper a “liquidation” sale, “entire inventory up to 70% off!” and that “everything must go!!” A true and correct copy of the advertisement dated November 24, 2014 is attached hereto and incorporated herein as Exhibit A.

21. Prior to closing, the Furniture Sir-Plus Defendants collected a substantial sum of deposit/layaway monies from certain consumers who had not yet completed payments for the furniture.

22. Prior to closing, the Furniture Sir-Plus Defendants also collected a substantial sum of monies from certain consumers who completed all payments for the furniture placed on layaway.

23. Prior to closing, the Furniture Sir-Plus Defendants collected a substantial sum of money from certain customers who paid in full for furniture to be delivered at a later date.

24. In certain cases, the Furniture Sir-Plus Defendants promised consumers that their furniture would be delivered by a certain date, but failed to deliver the furniture by such dates.

25. In many cases, the Furniture Sir-Plus Defendants intentionally made false representations to consumers about the delivery dates of their furniture, upon which consumers relied to their detriment, in order to persuade consumers to pay deposits to the Furniture Sir-Plus Defendants, for the purchase of the furniture.

26. The Furniture Sir-Plus Defendants’ conduct, practices and representations constitute obtaining monies under false pretenses and through false representations, and/or

constitute fraud.

27. Facing cash flow problems, the Furniture Sir-Plus Defendants closed the Roosevelt Blvd Store and the Tacony Store, and moved all inventory to the Lancaster Ave Store.

28. Upon information and belief, the Furniture Sir-Plus Defendants continued to take money and/or deposits/ layaway payments from certain consumers for furniture to be delivered at a later date, including from consumers who visited the Roosevelt Blvd Store and Tacony Store, up until the day of closing.

29. The Furniture Sir-Plus Defendants failed to inform consumers who made deposits/layaway payments and/or purchased furniture to be delivered at a later date that they were suffering cash-flow problems and/or that the Roosevelt Blvd Store and Tacony Store were closing.

30. Upon closing, the Furniture Sir-Plus Defendants failed to make reasonable efforts to notify consumers who had made deposits/layaway payments and/or purchased furniture to be delivered at a later date that the Furniture Sir-Plus Defendants had closed.

31. The Furniture Sir-Plus Defendants failed to deliver furniture to certain layaway customers who had completed all payments for their furniture.

32. The Furniture Sir-Plus Defendants failed to deliver furniture to certain customers who paid in full for delivery at a later date.

33. The Furniture Sir-Plus Defendants failed to provide timely refunds to certain consumers who had paid amounts as deposits and/or layaway funds towards the purchase of furniture from the Furniture Sir-Plus Defendants but did not receive the furniture.

34. The Furniture Sir-Plus Defendants failed to provide timely refunds to certain consumers who paid in full for furniture but did not receive the furniture ordered.

35. The Furniture Sir-Plus Defendants ceased operations at some time on or around April 20, 2015.

36. The King Furniture Warehouse Defendants took possession and control of floor models of furniture of the Furniture Sir-Plus Defendants and furniture that had been paid for by consumers but not yet delivered by the Furniture Sir-Plus Defendants, at some time on or around April 20, 2015, and at that same time, began operating the furniture retail business out of the Lancaster Ave location.

37. At least for a certain amount of time after the Furniture Sir-Plus Defendants closed, the King Furniture Warehouse Defendants maintained the same telephone number and telephone system as were previously used by the Furniture Sir-Plus Defendants.

38. At least for a certain amount of time after the Furniture Sir-Plus Defendants closed, the King Furniture Warehouse Defendants retained some of the same employees who had previously worked for the Furniture Sir-Plus Defendants.

39. The King Furniture Warehouse Defendants have accessibility to the computer system of the Furniture Sir-Plus Defendants for all prior orders placed and/or paid for by consumers through the Furniture Sir-Plus Defendants.

40. The King Furniture Warehouse Defendants failed to make reasonable efforts to notify consumers who had made deposits/layaway payments and/or purchased furniture to be delivered at a later date that the Furniture Sir-Plus Defendants had closed and that consumers could obtain their furniture from the King Furniture Warehouse Defendants.

41. The King Furniture Warehouse Defendants failed to deliver furniture to certain layaway customers who had completed all payments for the furniture.

42. The King Furniture Warehouse Defendants failed to deliver furniture to certain

customers who paid in full for delivery at a later date.

43. The King Furniture Warehouse Defendants failed to provide timely refunds to certain consumers who had paid amounts as deposits and/or layaway funds towards the purchase of furniture from the Furniture Sir-Plus Defendants but did not receive the furniture.

44. The King Furniture Warehouse Defendants failed to provide timely refunds to certain consumers who paid in full for furniture but did not receive the furniture ordered.

45. The unlawful acts and practices of the King Furniture Warehouse Defendants complained of herein were carried out pursuant to Defendant Roberts' direction and control, and Defendant Roberts directly participated in such unlawful acts and practices.

46. The unlawful acts and practices of the Furniture Sir-Plus Defendants complained of herein were carried out pursuant to Defendant Finkelstein's direction and control, and Defendant Finkelstein directly participated in such unlawful acts and practices.

47. The unlawful acts and practices of the Furniture Sir-Plus Defendants complained of herein were carried out pursuant to Defendant Lederman's direction and control, and Defendant Lederman directly participated in such unlawful acts and practices.

48. The Pennsylvania Bureau of Consumer Protection (herein referred to as the "Bureau") has received numerous consumer complaints against Defendants' business practices.

49. For example, one consumer who is seventy-eight (78) years old filed a consumer complaint stating that he visited the Roosevelt Blvd Store on March 15, 2015 and paid two hundred fifteen and 98/100 dollars (\$215.98) for a recliner chair that was to be delivered by the Furniture Sir-Plus Defendants in seven (7) to ten (10) days, so that he would have the chair before the Easter holiday. His complaint stated that he went to the store fourteen (14) days later after not receiving the chair or hearing from the Furniture Sir-Plus Defendants, to find out that

the Roosevelt Blvd Store had closed. Defendants failed to deliver the furniture to the consumer, and failed to provide a refund to the consumer.¹ True and correct copies of the redacted invoice and credit card receipt are attached hereto and incorporated collectively herein as Exhibit B.

50. In another consumer complaint, a consumer stated that she visited the Lancaster Ave Store on April 11, 2015 and paid three thousand four hundred and 00/100 dollars (\$3,400.00) for a dining room set to be delivered by the Furniture Sir-Plus Defendants in three (3) weeks. To date, Defendants have failed to deliver the furniture to the consumer, and failed to provide a refund to the consumer. True and correct copies of the redacted invoice and check are attached hereto and incorporated collectively herein as Exhibit C.

51. Some of the consumer complaints were submitted by consumers who were age sixty (60) or older at the time of the transaction with Defendants.

52. The Commonwealth has reason to believe that Defendants have used, are using, or are about to use methods, acts or practices declared unlawful by Section 201-3 of the Consumer Protection Law.

53. The Commonwealth believes and therefore avers that there are additional consumers who have not filed complaints with the Bureau and have also been harmed due to the methods, acts and practices of Defendants, which include, but are not limited to, those as alleged herein.

54. The Commonwealth believes that the public interest is served by seeking a permanent injunction from this Honorable Court to restrain the methods, acts and practices of the Defendants. The Commonwealth believes that the public is suffering and will continue to suffer harm unless the acts and practices complained of herein are permanently enjoined.

¹ Since filing the complaint with the Bureau, the consumer disputed the charge with the credit card company and was able to obtain a chargeback for the money paid to Defendants.

COUNT I – VIOLATIONS OF THE CONSUMER PROTECTION LAW

**FURNITURE SIR-PLUS DEFENDANTS FAILED TO DELIVER FURNITURE
AND/OR PROVIDE REFUNDS TO CONSUMERS**

55. The averments and allegations of the preceding paragraphs are incorporated as though the same were more fully set forth herein.

56. The aforesaid methods, acts or practices 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)(v), 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
- (b) Section 201-2(4)(xxi), engaging in any other fraudulent or deceptive conduct which creates a likelihood of confusion or of misunderstanding.

73 P.S. §§ 201-3, and 201-2(4)(v) and (xxi).

57. The Commonwealth alleges that all of the practices described above were performed willfully. Accordingly, and pursuant to Section 201-8 of the Consumer Protection Law, the Commonwealth seeks the imposition of civil penalties of One Thousand and 00/100 Dollars (\$1,000.00) for each violation of the Consumer Protection Law, including enhanced civil penalties of Three Thousand and 00/100 Dollars (\$3,000.00) for each violation involving consumer victims age sixty (60) or older, in addition to other relief sought, as appropriate.

58. The Commonwealth believes that the public interest is served by seeking before

this Court a permanent injunction to restrain the methods, acts and practices described herein, as well as seeking restitution for consumers and civil penalties for violations of the law. The Commonwealth believes that citizens of the Commonwealth are suffering and will continue to suffer harm unless the acts and practices complained of herein are permanently enjoined.

WHEREFORE, the Commonwealth of Pennsylvania respectfully requests that this Honorable Court issue an Order:

A. Declaring the Furniture Sir-Plus Defendants' conduct to be in violation of the Consumer Protection Law;

B. Permanently enjoining the Furniture Sir-Plus Defendants and all other persons acting on their behalf, directly or indirectly, from violating the Consumer Protection Law and any amendments thereto, including, but not limited to:

1. 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; and
2. 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;

C. Prohibiting the Furniture Sir-Plus Defendants from otherwise violating the Consumer Protection Law and any amendments thereto;

D. Directing the Furniture Sir-Plus Defendants to make full restitution

pursuant to Section 201-4.1 of the Consumer Protection Law to all consumers who have suffered losses as a result of the acts and practices alleged in this complaint and any other acts or practices which violate the Consumer Protection Law;

E. Directing the Furniture Sir-Plus Defendants to pay to the Commonwealth civil penalties of One Thousand and 00/100 Dollars (\$1,000.00) for each instance of a violation of the Consumer Protection Law, and Three Thousand and 00/100 Dollars (\$3,000.00) for each instance of a violation of the Consumer Protection Law involving consumers aged sixty (60) or older as victims;

F. Requiring the Furniture Sir-Plus Defendants to pay the Commonwealth's investigative and litigation costs in this matter;

G. Enjoining the Furniture Sir-Plus Defendants from having any ownership and/or financial interest in, operating and/or otherwise managing or controlling a business which markets, advertises and/or sells furniture to consumers located in Pennsylvania, and/or from a location in Pennsylvania; and

H. Granting such other general, equitable and/or further relief as the Court deems just and proper.

COUNT II – VIOLATIONS OF THE CONSUMER PROTECTION LAW

KING FURNITURE WAREHOUSE DEFENDANTS FAILED TO DELIVER FURNITURE AND/OR PROVIDE REFUNDS TO CONSUMERS

55. The averments and allegations of the preceding paragraphs are incorporated as though the same were more fully set forth herein.

56. The aforesaid methods, acts or practices 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:

- (c) Section 201-2(4)(v), 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
- (d) Section 201-2(4)(xxi), engaging in any other fraudulent or deceptive conduct which creates a likelihood of confusion or of misunderstanding.

73 P.S. §§ 201-3, and 201-2(4)(v) and (xxi).

57. The Commonwealth alleges that all of the practices described above were performed willfully. Accordingly, and pursuant to Section 201-8 of the Consumer Protection Law, the Commonwealth seeks the imposition of civil penalties of One Thousand and 00/100 Dollars (\$1,000.00) for each violation of the Consumer Protection Law, including enhanced civil penalties of Three Thousand and 00/100 Dollars (\$3,000.00) for each violation involving consumer victims age sixty (60) or older, in addition to other relief sought, as appropriate.

58. The Commonwealth believes that the public interest is served by seeking before this Court a permanent injunction to restrain the methods, acts and practices described herein, as well as seeking restitution for consumers and civil penalties for violations of the law. The Commonwealth believes that citizens of the Commonwealth are suffering and will continue to suffer harm unless the acts and practices complained of herein are permanently enjoined.

WHEREFORE, the Commonwealth of Pennsylvania respectfully requests that this Honorable Court issue an Order:

- A. Declaring the King Furniture Warehouse Defendants' conduct to be in

violation of the Consumer Protection Law;

B. Permanently enjoining the King Furniture Warehouse Defendants and all other persons acting on their behalf, directly or indirectly, from violating the Consumer Protection Law and any amendments thereto, including, but not limited to:

1. 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; and
2. 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;

C. Prohibiting the King Furniture Warehouse Defendants from otherwise violating the Consumer Protection Law and any amendments thereto;

D. Directing the King Furniture Warehouse Defendants to make full restitution pursuant to Section 201-4.1 of the Consumer Protection Law to all consumers who have suffered losses as a result of the acts and practices alleged in this complaint and any other acts or practices which violate the Consumer Protection Law;

E. Directing the King Furniture Warehouse Defendants to pay to the Commonwealth civil penalties of One Thousand and 00/100 Dollars (\$1,000.00) for each instance of a violation of the Consumer Protection Law, and Three Thousand and 00/100 Dollars (\$3,000.00) for each instance of a violation of the Consumer Protection Law involving

consumers aged sixty (60) or older as victims;

F. Requiring the King Furniture Warehouse Defendants to pay the Commonwealth's investigative and litigation costs in this matter;

G. Enjoining the King Furniture Warehouse Defendants from having any ownership and/or financial interest in, operating and/or otherwise managing or controlling a business which markets, advertises and/or sells furniture to consumers located in Pennsylvania, and/or from a location in Pennsylvania; and

H. Granting such other general, equitable and/or further relief as the Court deems just and proper.

**COUNT III – VIOLATIONS OF THE CONSUMER PROTECTION LAW AND
THE FICTITIOUS NAMES ACT**

**DEFENDANTS FAILED TO REGISTER THEIR FICTITIOUS NAME WITH
THE CORPORATIONS BUREAU**

59. The averments and allegations of the preceding paragraphs are incorporated as though the same were more fully set forth herein at length.

60. Under the Pennsylvania *Fictitious Names Act*, 54 Pa. C.S.A. §§ 301-332 (herein referred to as "FNA"), a person or business must register a fictitious name, defined as "[a]ny assumed or fictitious name, style or designation other than the proper name of the entity using such name", with the Corporations Bureau before it conducts any business in the Commonwealth under or through that said fictitious name. 54 Pa. C.S.A. § 303(b)

61. The Furniture Sir-Plus Defendants failed to register the name "Furniture Sir-Plus" with the Corporations Bureau.

62. The Furniture Sir-Plus Defendants failed to register the name "Furniture Surplus Warehouse Outlet" with the Corporations Bureau.

63. The King Furniture Warehouse Defendants failed to register the name “Furniture Surplus Warehouse Outlet” with the Corporations Bureau.

64. The King Furniture Warehouse Defendants failed to register the name “King Furniture Warehouse” with the Corporations Bureau.

65. The aforesaid methods, acts or practices 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), causing likelihood of confusion or of misunderstanding as to the source, sponsorship, approval or certification of goods and services;
- (b) Section 201-2(4)(iii), causing likelihood of confusion or of misunderstanding as to affiliation, connection or association with, or certification by, another; and
- (c) Section 201-2(4)(xxi), engaging in any other fraudulent or deceptive conduct which creates a likelihood of confusion or of misunderstanding.

73 P.S. §§ 201-3, and 201-2(4)(ii), (iii) and (xxi).

66. The Commonwealth alleges that all of the practices described above were performed willfully. Accordingly, and pursuant to Section 201-8 of the Consumer Protection Law, the Commonwealth seeks the imposition of civil penalties of One Thousand and 00/100 Dollars (\$1,000.00) for each violation of the Consumer Protection Law, including enhanced civil penalties of Three Thousand and 00/100 Dollars (\$3,000.00) for each violation involving consumer victims age sixty (60) or older, in addition to other relief sought, as appropriate.

67. The Commonwealth believes that the public interest is served by seeking before this Court a permanent injunction to restrain the methods, acts and practices described herein, as well as seeking restitution for consumers and civil penalties for violation of the law. The Commonwealth believes that citizens of the Commonwealth are suffering and will continue to suffer harm unless the acts and practices complained of herein are permanently enjoined.

WHEREFORE, the Commonwealth of Pennsylvania respectfully requests that this Honorable Court issue an Order:

- A. Declaring Defendants' conduct to be in violation of the Consumer Protection Law and the FNA;
- B. Permanently enjoining Defendants and all other persons acting on their behalf, directly or indirectly, from violating the Consumer Protection Law and the FNA, and any amendments thereto, including, but not limited to:
 1. Using assumed or fictitious names other than Defendants' proper names without registering those assumed or fictitious names as prohibited by Section 303 of the FNA;
 2. 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;
 3. 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; and

4. 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.

C. Prohibiting Defendants from otherwise violating the Consumer Protection Law and the FNA and any amendments thereto;

D. Directing Defendants to make full restitution pursuant to Section 201-4.1 of the Consumer Protection Law to all consumers who have suffered losses as a result of the acts and practices alleged in this complaint and any other acts or practices which violate the Consumer Protection Law and the FNA;

E. Directing Defendants to forfeit and pay to the Commonwealth civil penalties of One Thousand and 00/100 Dollars (\$1,000.00) for each instance of a past or present violation of the Consumer Protection Law, and Three Thousand and 00/100 Dollars (\$3,000.00) for each instance of a past or present violation of the Consumer Protection Law involving consumers aged sixty (60) or older as victims;

F. Requiring Defendants to pay the Commonwealth's investigative and litigation costs in this matter; and

G. Granting such other general, equitable and/or further relief as the Court deems just and proper.

Respectfully Submitted,

COMMONWEALTH OF PENNSYLVANIA
KATHLEEN G. KANE
Attorney General

Date: 7/17/15

By: 

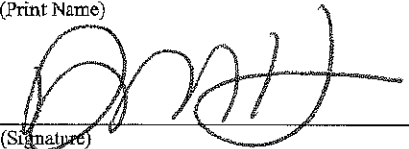
SARAH A. E. FRASCH
Senior Deputy Attorney General
PA Attorney I.D. No. 203529
Bureau of Consumer Protection
21 South 12th Street, Second Floor
Philadelphia, Pennsylvania 19107
Telephone: (215) 560-2414
Facsimile: (215) 560 2494
Email: sfracsh@attorneygeneral.gov

VERIFICATION

I, Ann-Marie Hannam hereby state that I am an Agent with the Office of Attorney General, Bureau of Consumer Protection, and am authorized to make this verification on behalf of the Plaintiff in the within action. I hereby verify that the facts set forth in the foregoing Complaint are true and correct to the best of my knowledge or information and belief.

I understand that the statements contained herein are subject to the penalties of 18 Pa. C.S.A. § 4904 relating to unsworn falsification to authorities.

Ann-Marie Hannam
(Print Name)


(Signature)

Date: 7-17-15

Exhibit A

Case ID: 150702150
Case ID: 150702150
Control No.: 15073027

LIQUIDATION

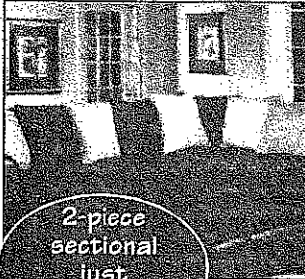
FURNITURE
SIR-PLUS

ENTIRE INVENTORY
UP TO **70%**
OFF!

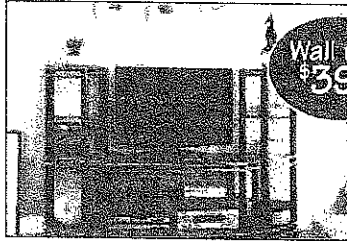
EVERYTHING
MUST GO!



Visit our brand new website at www.myfurnituresirplus.com



2-piece sectional just **\$699**



Wall unit just **\$399**

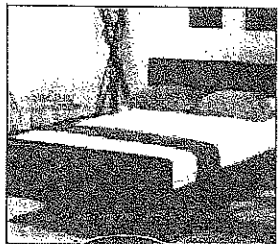


Sofa & Loveseat just **\$599**

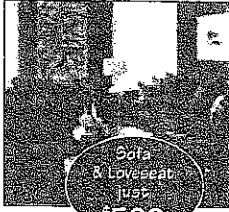
ALL MATTRESS SETS:



Day bed just **\$149**



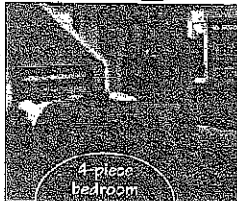
Leather bed from **\$169**



Sofa & Loveseat just **\$599**

INSTANT FINANCING NO CREDIT CHECK

50% OFF!

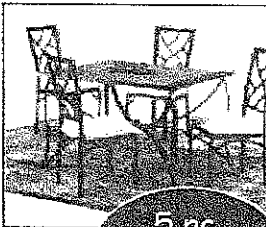


4-piece bedroom just **\$499**

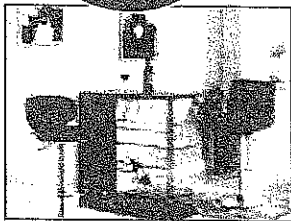


Cherry/ oak stand mirror just **\$39**

Futon frames **\$89**

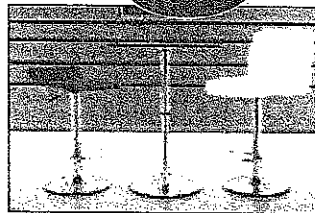


5 pc. Dinette **\$199**



Bar stools **\$39 each**

Pub set **\$199**

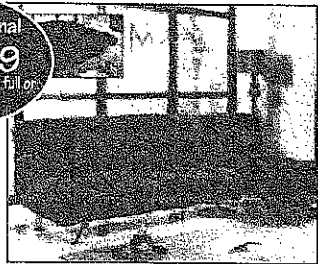


Bunk bed twin/full just **\$168** (mattress not incl)

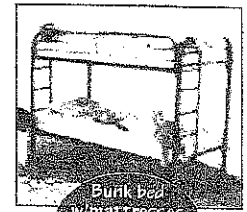


3-pc. table/storage stools just **\$199**

2-pc. sectional just **\$499** (converts to single & full on King size bed)



2-pc. Sectional (Chocolate Only) **\$699**



Bunk bed w/mattresses just **\$269**

5351 LANCASTER AVE., PHILADELPHIA

54TH & LANCASTER - THE BIG RED & YELLOW BUILDING
Mon-Sat 10am-8pm, Sun 11am-5pm

ROOSEVELT PLAZA, 6595 ROOSEVELT BLVD., PHILA.

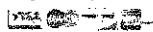
CORNER OF ROOSEVELT BLVD. & HARBISON AVE.
Mon-Fri 10am-8pm, Sat 10-6, Sun 11-6

2 locations!

Call us at

215-871-0800

We accept cash, checks and:



FURNITURE SIR-PLUS

www.myfurnituresirplus.com

Case ID: 150702150

Case ID: 150702150

Control No.: 15073027

Exhibit B

Store Hours: Mon-Fri: 10am - 8pm
 Sat: 10am - 7pm
 Sun: 11am - 5pm
 www.myfurniturestoreplus.com

Phone: (215) 871-0800
 Fax: (215) 871-0805



Store Location: *LA 286*

DATE: *5/15/15* SOLD BY: *WAP* FIRST NAME: [REDACTED] LAST NAME: [REDACTED] HOME#: [REDACTED] CELL#: [REDACTED]
 ADDRESS: [REDACTED] APT.#: [REDACTED]
 CITY: *LA 286* STATE: *PA* ZIP CODE: [REDACTED] E-MAIL: [REDACTED]

MODEL#	QUANTITY	DESCRIPTION	PRICE
		<i>M # 9311</i>	
		<i>Quagmire # 9999</i>	
		<i>536</i>	
		<i>AN</i>	
		<i>60</i>	

- ALL SALES ARE FINAL
- ASSEMBLY NOT INCLUDED IN DELIVERY CHARGE
- CUSTOMER RESPONSIBLE FOR DOOR SIZE, HALLWAY, STAIRWAY AND ALL OBSTRUCTIONS. STORE CREDIT ONLY FOR FURNITURE NO FLTS
- THERE ARE NO REFUNDS, STORE CREDIT ONLY
- LAYAWAY MERCHANDISE WILL BE HELD FOR 90 DAYS. PRICE HOLD OVER 90 DAYS
- MERCHANDISE ON LAYAWAY WILL NOT BE ORDERED UNTIL BALANCE IS PAID IN FULL
- ONCE ORDER IS PLACED CANCELLATION FEE OF 25% WILL APPLY TO SALE PRICE OF CANCELED ITEM
- MERCHANDISE SOLD AS IS
- MATTRESS SOLD AS YELLOW TAG REFURBISHED

CUSTOMER INITIAL

CUSTOMER INITIAL

DATE

MERCHANDISE SUB TOTAL	<i>199.99</i>
DELIVERY CHARGE	<i>0</i>
ASSEMBLY FEE	<i>0</i>
SUBTOTAL	<i>199.99</i>
SALES TAX	<i>15.99</i>
TOTAL	<i>215.98</i>
DEPOSIT	<i>0</i>
BALANCE DUE	<i>215.98</i>

BUYER'S SIGNATURE: [REDACTED]

closed

FURNITURE SIR-PLUS RSV
6595 ROOSEVELT BLVD.
PHILADELPHIA, PA 19149

03/11/2015

12:30:09

CREDIT CARD

CARD # [REDACTED]
INVOICE [REDACTED] 0001
SEQ #: 0001
Batch #: 000031
Approval Code: 022919
Entry Method: Swiped
Mode: Online
SALE AMOUNT \$215.98

CUSTOMER COPY

5357-LAN

Case ID: 150702150
Case ID: 150702150
Control No.: 15073027

Exhibit C

Case ID: 150702150
Case ID: 150702150
Control No.: 15073027

**FURNITURE SURPLUS
WAREHOUSE OUTLET**

9604

5351 LANCASTER AVENUE
PHILADELPHIA, PA 19131
PHONE # (215) 871-0800
FAX # (215) 871-0805

DATE 4/11/15	SOLD BY KIM	SOLD TO [REDACTED]	HOME# [REDACTED]	CELL# [REDACTED]
ADDRESS [REDACTED]			APT. # [REDACTED]	

CITY Phila	STATE PA	ZIP CODE [REDACTED]
---------------	-------------	------------------------

MODEL #	DESCRIPTION	
L3615	4-Side Chair	3400.
L3616	2-Arm Chair	
L2615	Dining Table	
L2616	Chair	
	C.O.D.	
	\$ 130	
	3 WEEK	

- ① ALL SALES ARE FINAL.
- ② ASSEMBLY NOT INCLUDED IN DELIVERY CHARGE.
- ③ CUSTOMER RESPONSIBLE FOR DOOR SIZE, HALLWAY, STAIRWAY AND ALL OBSTRUCTIONS.
- ④ THERE ARE NO REFUNDS.
- ⑤ LAYAWAY GOOD FOR 90 DAYS.
- ⑥ ALL DEPOSITS ARE FORFEITED AFTER 90 DAYS.
- ⑦ 45 DAYS NOTICE REQUIRED BEFORE P/U OR SCHEDULE A DELIVERY ON LAYAWAY.
- ⑧ NO CHANGES ALLOWED ON LAYAWAY AFTER 3 DAYS.
- ⑨ CANCELLATION FEE SUBJECT TO 25% OF TOTAL SALE PRICE.
- ⑩ SPECIAL ORDERS REQUIRE 50% DEPOSIT TO ORDER.

SUBTOTAL	3400.
STATE TAX	—
ASSEMBLY FEE	130
DELIVERY CHARGE	130
TOTAL	3400.
1860 DEPOSIT	3400.
BALANCE DUE	0

BUYER'S SIGNATURE [REDACTED] DATE: 4/11/2015

Case ID: 150702150
Control No.: 15073027

Check Image

Print



DATE: 4/10/05

PAY TO THE ORDER OF: Furniture Six Plus \$2,400.00
Three Thousand Four Hundred 25/100 DOLLARS

Citizens Bank

MEMO: 1006158
S. J. [Signature]



For Deposit

DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE
RESERVED FOR FINANCIAL INSTITUTION USE *

The security features listed below, as well as those not listed, exceed industry guidelines.
Security Features: MicroPrint Line, Chemically Sensitive Paper, Security Screen
Results of document alteration: No broad type in line appears as dotted line when photocopied, Stains or spots may appear with chemical alteration, Absence of 'Original Document' seepage on back of check

CLOSE

This is an image of an item (check, substitute check, or debit memo) which has posted to your account. Items resulting in a non-sufficient funds situation may not have been paid. Unpaid items will show as a credit item in your account history on the business date following the date the item was presented

Exhibit B



3 Philadelphia-area locations to serve you

After 25 years – ALWAYS THE LOWEST PRICES – up to 70% off

No credit check financing/90 days same as cash

[CLICK HERE](#) for more information on how to qualify

Login/Signup
[\(http://myfurnituresirplus.com/login/\)](http://myfurnituresirplus.com/login/)
 View Cart(0)
[\(http://myfurnituresirplus.com/cart/\)](http://myfurnituresirplus.com/cart/)

**NO
 CREDIT CHECK
 90 DAY
 SAME-AS-CASH**

Choose your Package



[\(http://myfurnituresirplus.com/product-category/living-room/\)](http://myfurnituresirplus.com/product-category/living-room/)
[\(http://myfurnituresirplus.com/product-category/living-room/\)](http://myfurnituresirplus.com/product-category/living-room/) Click for Living Room Packages!
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[\(https://twitter.com/FurnitureSirPlus/\)](https://twitter.com/FurnitureSirPlus/)
[\(http://myfurnituresirplus.com/product-category/sirplus-special/\)](http://myfurnituresirplus.com/product-category/sirplus-special/)
[\(http://myfurnituresirplus.com/product-category/sirplus-special/\)](http://myfurnituresirplus.com/product-category/sirplus-special/) Click to see our Special Packages!
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[\(http://myfurnituresirplus.com/product-category/bedroom/\)](http://myfurnituresirplus.com/product-category/bedroom/)
[\(http://myfurnituresirplus.com/product-category/bedroom/\)](http://myfurnituresirplus.com/product-category/bedroom/) Click for Bedroom Packages! [\(http://myfurnituresirplus.com/product-category/bedroom/\)](http://myfurnituresirplus.com/product-category/bedroom/)

[\(http://myfurnituresirplus.com/product-category/kids-room/\)](http://myfurnituresirplus.com/product-category/kids-room/)
[\(http://myfurnituresirplus.com/product-category/kids-room/\)](http://myfurnituresirplus.com/product-category/kids-room/) Click for Children's Packages! [\(http://myfurnituresirplus.com/product-category/kids-room/\)](http://myfurnituresirplus.com/product-category/kids-room/)

[\(http://myfurnituresirplus.com/product-category/dining-rooms/\)](http://myfurnituresirplus.com/product-category/dining-rooms/)
[\(http://myfurnituresirplus.com/product-category/dining-rooms/\)](http://myfurnituresirplus.com/product-category/dining-rooms/) Click for Dining Room Packages! [\(http://myfurnituresirplus.com/product-category/dining-rooms/\)](http://myfurnituresirplus.com/product-category/dining-rooms/)

SARAH A. E. FRASCH
 Senior Deputy Attorney General
 PA Attorney I.D. #203529
 Office of Attorney General
 Bureau of Consumer Protection
 21 South 12th Street, 2nd Floor
 Philadelphia, Pennsylvania 19107
 215-560-2414
Attorney for Plaintiff

IN THE COURT OF COMMON PLEAS OF PHILADELPHIA COUNTY
 FIRST JUDICIAL DISTRICT OF PENNSYLVANIA
 CIVIL TRIAL DIVISION

COMMONWEALTH OF PENNSYLVANIA	:	
Acting by Attorney General	:	<u>July</u> Term, 2015
KATHLEEN G. KANE,	:	
	:	No. <u>2150</u>
Plaintiff	:	
v.	:	
	:	# 150702150
PHILADELPHIA FURNITURE	:	
WAREHOUSE, INC., et al.	:	
	:	
Defendants	:	

MEMORANDUM OF LAW OF THE COMMONWEALTH OF
 PENNSYLVANIA IN SUPPORT OF ITS MOTION FOR
 PRELIMINARY INJUNCTION, ACCOUNTING, AND ASSET
 FREEZE

I. STATEMENT OF FACTS

Defendants Philadelphia Furniture Warehouse, Inc. (herein referred to as "PFW"), Furniture Plus, Inc. (herein referred to as "Furniture Plus"), Integrated Furniture Solutions, LLC (herein referred to as "IFS"), and Lancaster Property Holdings, LLC (herein referred to as "LPH), along with Daniel Roberts, Mark Finkelstein, and Charles Lederman (herein referred to collectively referred to as "Defendants"), engaged in the

business of advertising and selling furniture out of various stores located at 5351 Lancaster Avenue, Philadelphia, Pennsylvania 19131 (herein referred to as “Lancaster Ave Store”); 6595 Roosevelt Boulevard Philadelphia, Pennsylvania 19131 (herein referred to as “Roosevelt Blvd Store”); and 4808 Tacony Street, Philadelphia, Pennsylvania 19135 (herein referred to as “Tacony Store”).

At all times relevant and material hereto, Defendants Furniture Plus, LPH, IFS, Finkelstein, and Lederman (herein collectively referred to as the “Furniture Sir-Plus Defendants”) have conducted business under the names “Furniture Surplus Warehouse Outlet” and “Furniture Sir-Plus.” At all times relevant and material hereto, Defendants PFW and Roberts (herein collectively referred to as the “King Furniture Warehouse Defendants”) have conducted business under the names “Furniture Surplus Warehouse Outlet” and “King Furniture Warehouse.”

Many months prior to closing, the Furniture Sir-Plus Defendants advertised in the Philadelphia Metro Newspaper a “liquidation” sale, “entire inventory up to 70% off!” and that “everything must go!!” Prior to closing, the Furniture Sir-Plus Defendants collected a substantial sum of deposit/layaway monies from certain consumers who had not yet completed payments for the furniture; collected a substantial sum of monies from certain consumers who completed all payments for the furniture placed on layaway; and collected a substantial sum of money from certain customers who paid in full for furniture to be delivered at a later date.

In certain cases, the Furniture Sir-Plus Defendants promised consumers that their furniture would be delivered by a certain date, but failed to deliver the furniture by such dates. In many cases, the Furniture Sir-Plus Defendants intentionally made false

representations to consumers about the delivery dates of their furniture, upon which consumers relied to their detriment, in order to persuade consumers to pay deposits to the Furniture Sir-Plus Defendants, for the purchase of the furniture. The Furniture Sir-Plus Defendants' conduct, practices and representations constitute obtaining monies under false pretenses and through false representations, and/or constitute fraud.

Facing cash flow problems, the Furniture Sir-Plus Defendants closed the Roosevelt Blvd Store and the Tacony Store, and moved all inventory to the Lancaster Ave Store. The Furniture Sir-Plus Defendants continued to take money and/or deposits/layaway payments from certain consumers for furniture to be delivered at a later date, including from consumers who visited the Roosevelt Blvd Store and Tacony Store, up until the day of closing. The Furniture Sir-Plus Defendants failed to inform consumers who made deposits/layaway payments and/or purchased furniture to be delivered at a later date that they were suffering cash-flow problems and/or that the Roosevelt Blvd Store and Tacony Store were closing.

Upon closing, the Furniture Sir-Plus Defendants failed to make reasonable efforts to notify consumers who had made deposits/layaway payments and/or purchased furniture to be delivered at a later date that the Furniture Sir-Plus Defendants had closed; failed to deliver furniture to certain layaway customers who had completed all payments for their furniture; failed to deliver furniture to certain customers who paid in full for delivery at a later date; failed to provide timely refunds to certain consumers who had paid amounts as deposits and/or layaway funds towards the purchase of furniture from the Furniture Sir-Plus Defendants but did not receive the furniture; and failed to provide timely refunds to certain consumers who paid in full for furniture but did not receive the

furniture ordered.

The Furniture Sir-Plus Defendants ceased operations at some time on or around April 20, 2015. The King Furniture Warehouse Defendants took possession and control of floor models of furniture of the Furniture Sir-Plus Defendants and furniture that had been paid for by consumers but not yet delivered by the Furniture Sir-Plus Defendants, at some time on or around April 20, 2015, and at that same time, began operating the furniture retail business out of the Lancaster Ave location.

At least for a certain amount of time after the Furniture Sir-Plus Defendants closed, the King Furniture Warehouse Defendants maintained the same telephone number and telephone system as were previously used by the Furniture Sir-Plus Defendants. At least for a certain amount of time after the Furniture Sir-Plus Defendants closed, the King Furniture Warehouse Defendants retained some of the same employees who had previously worked for the Furniture Sir-Plus Defendants. The King Furniture Warehouse Defendants have accessibility to the computer system of the Furniture Sir-Plus Defendants for all prior orders placed and/or paid for by consumers through the Furniture Sir-Plus Defendants.

The King Furniture Warehouse Defendants failed to make reasonable efforts to notify consumers who had made deposits/layaway payments and/or purchased furniture to be delivered at a later date that the Furniture Sir-Plus Defendants had closed and that consumers could obtain their furniture from the King Furniture Warehouse Defendants; failed to deliver furniture to certain layaway customers who had completed all payments for the furniture; failed to deliver furniture to certain customers who paid in full for delivery at a later date; failed to provide timely refunds to certain consumers who had

paid amounts as deposits and/or layaway funds towards the purchase of furniture from the Furniture Sir-Plus Defendants but did not receive the furniture; and failed to provide timely refunds to certain consumers who paid in full for furniture but did not receive the furniture ordered.

II. RELIEF REQUESTED

By this Motion, the Commonwealth is seeking this Honorable Court to enter an Order directing temporary injunctive relief and freezing of assets of Defendants, including:

A. Temporarily restraining and enjoining said Defendants and their agents, attorneys, servants, employees, distributors and any other persons in active concert or participation with said Defendants who receive actual notice of this Order from receiving monies and/or payments for, or pertaining to, the sale of furniture;

B. Requiring said Defendants and their agents, attorneys, servants, employees and any other persons in active concert or participation with said Defendants who receive actual notice of this Order to provide the Commonwealth within forty-eight (48) hours of service of the Order to provide an accounting, with a full and complete disclosure of all assets owned, whether wholly or in part, or under his or her control, and the locations thereof, including but not limited to, the identification of bank, brokerage or investment accounts, which are: (1) owned, possessed or controlled by any of said Defendants; (2) held for the benefit of any of said Defendants; or (3) owned, possessed or controlled by any person or entity directly or indirectly under any of said Defendants' control;

C. Temporarily freezing any and all property or monies in any accounts identified pursuant to Paragraph B, above, which are: (1) owned, possessed or controlled by any of said Defendants; (2) held for the benefit of any of said Defendants; or (3)

owned, possessed or controlled by any person or entity directly or indirectly under any of said Defendants' control. Funds shall be released from these accounts upon approval of the Court after petition and hearing;

D. Temporarily restraining and enjoining said Defendants and enjoining their agents, attorneys, servants, employees, distributors and any other persons in active concert or participation with said Defendants who receive actual notice of this Order from selling, transferring, encumbering, loaning, concealing, dissipating, converting, withdrawing, or making any other disposition of any funds, credit instruments, real or personal property, the contents of any safe deposit boxes, or other assets or any interest therein, whenever acquired and wherever located, which are: (1) owned, possessed or controlled by any of said Defendants; (2) held for the benefit of any of said Defendants; or (3) owned, possessed or controlled by any person or entity directly or indirectly under any of said Defendants' control;

E. Temporarily restraining and enjoining said Defendants and enjoining their agents, attorneys, servants, employees and any other person in active concert or participation with said Defendants who receive actual notice of this Order from destroying, concealing, altering, transferring or otherwise disposing of any documents or records, stored on any medium, that relate in any way to the business practices or business or personal finances of any of said Defendants or entity directly or indirectly under any of said Defendants' control;

F. Temporarily restraining and enjoining said Defendants and enjoining their agents, attorneys, servants, employees and any other person in active concert or participation with said Defendants who receive actual notice of this Order from failing to

keep books, records, and accounts which, in reasonable detail, accurately reflects the incomes, disbursements, transactions and use of monies by any of said Defendants or other entity directly or indirectly under any of said Defendants' control;

G. Temporarily requiring that any bank or financial institution, brokerage house, escrow agent, money market or mutual fund, commodity trading company, title company, common carrier, storage company, trustee, mail receiving agent, or any other person or other entity served with a copy of this Order by any means including, but not limited to, facsimile, electronic mail, overnight delivery or hand delivery, shall: (1) hold and retain within such entity's or person's control, and prohibit the withdrawal, assignment, transfer, encumbrance, disbursement, sale, or other disposal of any assets or documents held by such entity or person on behalf of, for the benefit of, or subject to access or use by any of said Defendants; and (2) deny access to any safe deposit boxes held by such entity or person on behalf of, for the benefit of, or subject to access or use by any of said Defendants;

H. Temporarily requiring that any bank or financial institution, brokerage house, escrow agent, money market or mutual fund, commodity trading company, title company, common carrier, storage company, trustee, mail receiving agent, or any other person or other entity served with a copy of this Order by any means including, but not limited to, facsimile, overnight delivery or hand delivery, shall provide the Commonwealth, within four business days after service of this Order, a statement setting forth: (1) an identification of each account or asset titled in the name, individually or jointly, or held on behalf of, or for the benefit of, any of said Defendants; (2) the balance of each such account, or a description of the nature and value of such asset; (3) an

identification of any safe deposit box that is either titled in the name of, individually or jointly, or is otherwise subject to access or control by, any of said Defendants; and (4) if an account, safe deposit box, or other asset has been closed or removed, the date closed or removed, and the balance on said date. The accounts subject to this section include existing assets and assets deposited after the effective date of this Order;

I. Requiring that each of said Defendants shall, within five business days after receiving actual notice of this Order, prepare and serve upon the Commonwealth a financial statement. Each such financial statement shall include: (1) a complete schedule of all assets and liabilities, itemized by type, location and value (including names and addresses of financial institutions and account numbers); and (2) a list of all transfers and assignments of assets and property valued in excess of \$2,500 since January 1, 2014, indicating the name and address of the transferee or assignee, the value of the transfer or assignment, and the type and value of any consideration paid to said Defendant; and, (3) a verification from each said Defendant that the information he or she has provided has been provided subject to the penalty of perjury under 18 Pa.C.S. § 4904. Each such financial statement shall be served upon Commonwealth by facsimile or overnight delivery.

J. Requiring Defendants to disable and take any and all actions necessary to prevent consumers from being access any and all websites used by Defendants to sell furniture.

K. Scheduling a hearing pursuant to Pa.R.C.P. No. 1531(a) to consider the Commonwealth's request for preliminary injunctive relief.

L. Granting such further relief as this Court deems appropriate to effectuate the purposes of the Consumer Protection Law.

III. ARGUMENT

A. Standard For Granting Preliminary Injunctive Relief

In Pennsylvania, to prevail on a petition for preliminary injunctive relief,

Petitioner must show six (6) factors:

- a. that the injunction is necessary to prevent immediate and irreparable harm that cannot be adequately compensated by damages;
- b. that greater injury would result from refusing an injunction than from granting it, and, concomitantly, that issuance of an injunction will not substantially harm other interested parties in the proceedings;
- c. that a preliminary injunction will properly restore the parties to their status as it existed immediately prior to the alleged wrongful conduct;
- d. that the activity it seeks to restrain is actionable, that its right to relief is clear, and that the wrong is manifest, or, in other words, must show that it is likely to prevail on the merits;
- e. that the injunction it seeks is reasonably suited to abate the offending activity; and
- f. that a preliminary injunction will not adversely affect the public interest.

See Warehime v. Warehime, 580 Pa. 201, 209, 860 A.2d 41, 46-47 (Pa. 2004). As discussed more fully below, each of these factors has been met in the matter currently before this Court, and the requested preliminary injunctive relief should be imposed against all Defendants.

1. THE IMMEDIATE AND IRREPARABLE HARM TO CONSUMERS

Consumers suffered immediate and irreparable harm as a result of Defendants' conduct. Irreparable harm has been defined as conduct which cannot be adequately compensated by monetary damages. *Tyagi v. DiStazu*, 809 F.Supp. 10, 12 (M.D.Pa. 1992).

a. **DEFENDANTS VIOLATED THE CONSUMER PROTECTION LAW.**

Defendants breached various sections of the Pennsylvania *Unfair Trade Practices and Consumer Protection Law*, 73 P.S. § 201-1, *et seq.* (herein referred to as the "Consumer Protection Law"), and thus an injunction is necessary to prevent immediate and irreparable harm. The purpose of a preliminary injunction is to keep and put matters in the position in which they were before the improper conduct of Defendants began and to prevent Defendants from gaining any advantage by their own wrongful acts. *Pa. Pub. Util. Comm'n v. Israel*, 356 Pa. 400, 408, 52 A.2d 317, 321 (1947). Moreover, the continuing of unlawful conduct is an irreparable injury of the most serious nature, and an appropriate subject for a preliminary injunction. *Id.* at 320. "Where a statute proscribes certain activity, all that need be done is for the court to make a finding that the illegal activity occurred." *Com. v. Coward* 489 Pa. 327, 341, 414 A.2d 91, 98 (Pa., 1980). see also *Central Dauphin Educ. Assoc. v. Cent. Dauphin Sch. Dist.*, 792 A.2d 691, 698 (Pa.Cmwlth. 2001).

b. **ASSET DISSIPATION**

Pennsylvania Courts have generally affirmed the granting of preliminary injunctions in order to enjoin the dissipation of funds. See *Am. Express Travel Related Services Co., Inc. v. Laughlin*, 424 Pa.Super. 622, 626 A.2d 854, 856-857 (1993) (Court affirmed a preliminary injunction entered to enjoin the dissipation or concealment of

funds), *appeal denied* 535 Pa. 644, 633 A.2d 149 (1993); *E. Hills TV & Sporting v. Dibert*, 366 Pa.Super. 455, 531 A.2d 507, 509 (1987) (seller may be enjoined from using funds from their own bank so as to prevent the potential loss of funds belonging to buyer and necessary to carry on its business). Moreover, in *Cf. Walter v. Stacy*, 837 A.2d 1205, 1210 (Pa.Super.2003), the Court granted a preliminary injunction requiring the placement of funds into an escrow account and requiring court approval before utilizing the funds in order to prevent the “unfair, wholesale dissolution of their assets in anticipation of civil liability” was “proper”. See also *Citizens Bank of PA v. Myers*, 872 A.2d 827, 836 (Pa.Super.2005).

2. **THERE WILL BE GREATER HARM IF THE INJUNCTION IS NOT GRANTED**

The injunction is necessary to prevent further harm to other consumers who make purchases of furniture which Defendants fail to deliver. Defendants are continuing to accept monies from consumers to date, and such injunction is necessary to ensure that additional consumers are not harmed. Additionally, Defendants have in their possession and control furniture which has been paid in full by consumers but which has not been delivered. The Commonwealth is concerned that Defendants will attempt to sell such furniture to other consumers instead of delivering the furniture to the consumers who have already paid for it.

Therefore, consumers continue to be harmed by any transfer of the monies they paid to Defendants for any reason other than obtaining the furniture ordered by the consumer for delivery to the consumer. The use by Defendants of the monies paid by consumers for any purpose other than providing the furniture to the consumer clearly is

continuing the harm to the consumers, and clearly makes it more difficult to put the consumers in a position they would have been had Defendants not violated the Consumer Protection Law.

3. **THE CONSUMERS WILL BE IN A BETTER POSITION TO BE RESTORED**

The injunction is necessary to ensure that Defendants do not sell the furniture already purchased by consumers to others, and that the monies Defendants obtained from consumers through their violations of the Consumer Protection Law are not dissipated or transferred. Such monies must be utilized to restore the consumers to the position they were in prior to the Defendants taking their money in violation of the Consumer Protection Law.

4. **THE ACTIVITY IT SEEKS TO RESTRAIN IS ACTIONABLE, THAT ITS RIGHT TO RELIEF IS CLEAR.**

a. **STANDARD FOR CLEAR RIGHT TO RELIEF.**

To establish a “clear right to relief” the party seeking an injunction need not prove the merits of the underlying claim, but need only show that substantial legal questions must be resolved to determine the rights of the respective parties. *Fischer v. Dep’t of Pub. Welfare*, 497 Pa. 267, 271, 439 A.2d 1172, 1174 (1982). See also *Chmura v. Deegan* 398 Pa.Super. 532, 535, 581 A.2d 592, 593 (1990).

Lastly, the Directors/Managers would hold the Attorney General to a standard of proof for the required clear right to relief that is tantamount to a resolution of the ultimate issues in this matter. That is not required; a moving party need not prove an absolute right to relief in order to obtain a preliminary injunction. It is sufficient, if the other elements necessary for a preliminary injunction exist, and substantial legal questions are raised that must be resolved to determine the ultimate rights of the parties. See

Pleasant Hills Constr. Co. v. Public Auditorium Auth., 782 A.2d 68 (Pa.Cmwlth.2001) (rev. on other grounds, 567 Pa. 38, 784 A.2d 1277 (2001)); *Chmura v. Deegan*, 398 Pa.Super. 532, 581 A.2d 592 (1990).

In re Milton Hershey Sch. Trust 807 A.2d 324, 334 (Pa.Cmwlth.2002).

b. **THE CONSUMER PROTECTION LAW SHOULD BE BROADLY INTERPRETED.**

“The Legislature sought by the Consumer Protection Law to benefit the public at large by eradicating, among other things, ‘unfair or deceptive’ business practices.” *Com.*, by *Creamer v. Monumental Properties, Inc.* 459 Pa. 450, 457-458, 329 A.2d 812, 815 (Pa. 1974). The statute is remedial in nature and has at its heart the “prevention of deception and the exploitation of unfair advantage”. *Id.* The Consumer Protection Law is to be liberally construed. *Id.* 459 Pa. at 459-460, 329 A.2d at 816. See also *Com. v. Percudani* 844 A.2d 35, 40 (Pa.Cmwlth. 2004).

c. **DEFENDANTS VIOLATED THE CONSUMER PROTECTION LAW.**

Defendants violated the Consumer Protection Law, 73 P.S. § 201-3, as defined at 73 P.S. § 201-2(4), to wit:

- (ii) Causing likelihood of confusion or of misunderstanding as to the source, sponsorship, approval or certification of goods or services;
- (iii) Causing likelihood of confusion or of misunderstanding as to affiliation, connection or association with, or certification by, another;
- (v) Representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits or quantities that they do not have or that a person has a sponsorship, approval, status, affiliation or connection that he does not have;

(xxi) Engaging in any other fraudulent or deceptive conduct which creates a likelihood of confusion or of misunderstanding.

73 P.S. §§ 201-2(4) (ii), (iii), (v), and (xxi).

In the matter currently before this Court, the furniture paid for by consumers was never delivered. Many consumers filed complaints with the Bureau of Consumer Protection regarding the wrongdoing by Defendants. Consumers complained that they purchased furniture from Defendants with the promise of delivery of that furniture, but that Defendants had failed to deliver the furniture or failed to provide refunds. It is clear that the activity of Defendants which the Commonwealth seeks to restrain is actionable. As noted herein above and as alleged in the Commonwealth's Complaint filed in this action, Defendants have engaged in conduct which violates the Consumer Protection Law and which violates the Pennsylvania *Fictitious Names Act*, 54 Pa. C.S.A. §§ 301-332 (herein referred to as "FNA"). Given the specific conduct of Defendants as discussed herein and as alleged in the Commonwealth's Complaint, as well as the harm to the consumers, the Commonwealth's right to relief is clear, and the Commonwealth has demonstrated that it is very likely to prevail on the merits. Further, Section 201-4.1 of the Consumer Protection Law specifically allows the Court in its discretion to "direct that the defendant or defendants restore to any person in interest any moneys or property, real or personal, which may have been acquired by means of any violation of this act, under terms and conditions to be established by the court." 73 P.S. 201-4.1. The Commonwealth's ability to request restitution for consumers under the Consumer Protection Law further demonstrates that its right to relief is clear.

5. THE INJUNCTION SOUGHT RELATES TO THE VIOLATIVE CONDUCT BY DEFENDANTS

The preliminary injunction currently sought by the Commonwealth is reasonably suited to abate the offending activity of the Defendants. The injunction is necessary to ensure that Defendants do not sell the furniture already purchased by consumers to others, and that the monies Defendants obtained from consumers through their violations of the Consumer Protection Law are not dissipated or transferred, prohibiting the consumers from being restored to the position they were in prior to the violations of the Consumer Protection Law. *See Commonwealth v. Manson*, 903 A.2d 69 (Cmwlth. Ct. 2006) (accepting monies from consumers for furniture, and not providing furniture to the consumers, is a violation of the Consumer Protection Law, and the owners can be found liable as well).

Additionally, the injunction sought is to prohibit Defendants from transferring assets that they obtained through violations of the Consumer Protection Law. By freezing the assets and prohibiting the transfer of such assets, Defendants will be precluded from selling furniture to consumers which furniture has been paid for in full by other consumers. The injunction will also ensure that Defendants will not enjoy a benefit from the transfer of assets that were acquired through violations of the Consumer Protection Law.

6. **IT IS IN THE PUBLIC INTEREST TO GRANT THE INJUNCTION**

The imposition of the preliminary injunction requested by the Commonwealth will not adversely affect the public interest. To the contrary, it will benefit and protect the citizens of Pennsylvania. In order to prevent additional consumers from being harmed by Defendants' conduct, the injunction and asset freeze are necessary. Without such injunction and asset freeze, Defendants may sell furniture to consumers which

furniture has already been paid in full by other consumers and transfer or dissipate monies paid by consumers for furniture they did not receive, creating more harm to the public.

IV. CONCLUSION

For the above stated reasons, it is respectfully requested that this Honorable Court enter an Order directing temporary injunctive relief and freezing of assets of Defendants, including:

A. Temporarily restraining and enjoining said Defendants and their agents, attorneys, servants, employees, distributors and any other persons in active concert or participation with said Defendants who receive actual notice of this Order from receiving monies and/or payments for, or pertaining to, the sale of furniture;

B. Requiring said Defendants and their agents, attorneys, servants, employees and any other persons in active concert or participation with said Defendants who receive actual notice of this Order to provide the Commonwealth within forty-eight (48) hours of service of the Order to provide an accounting, with a full and complete disclosure of all assets owned, whether wholly or in part, or under his or her control, and the locations thereof, including but not limited to, the identification of bank, brokerage or investment accounts, which are: (1) owned, possessed or controlled by any of said Defendants; (2) held for the benefit of any of said Defendants; or (3) owned, possessed or controlled by any person or entity directly or indirectly under any of said Defendants' control;

C. Temporarily freezing any and all property or monies in any accounts identified pursuant to Paragraph B, above, which are: (1) owned, possessed or controlled by any of said Defendants; (2) held for the benefit of any of said Defendants; or (3) owned, possessed or controlled by any person or entity directly or indirectly under any of

said Defendants' control. Funds shall be released from these accounts upon approval of the Court after petition and hearing;

D. Temporarily restraining and enjoining said Defendants and enjoining their agents, attorneys, servants, employees, distributors and any other persons in active concert or participation with said Defendants who receive actual notice of this Order from selling, transferring, encumbering, loaning, concealing, dissipating, converting, withdrawing, or making any other disposition of any funds, credit instruments, real or personal property, the contents of any safe deposit boxes, or other assets or any interest therein, whenever acquired and wherever located, which are: (1) owned, possessed or controlled by any of said Defendants; (2) held for the benefit of any of said Defendants; or (3) owned, possessed or controlled by any person or entity directly or indirectly under any of said Defendants' control;

E. Temporarily restraining and enjoining said Defendants and enjoining their agents, attorneys, servants, employees and any other person in active concert or participation with said Defendants who receive actual notice of this Order from destroying, concealing, altering, transferring or otherwise disposing of any documents or records, stored on any medium, that relate in any way to the business practices or business or personal finances of any of said Defendants or entity directly or indirectly under any of said Defendants' control;

F. Temporarily restraining and enjoining said Defendants and enjoining their agents, attorneys, servants, employees and any other person in active concert or participation with said Defendants who receive actual notice of this Order from failing to keep books, records, and accounts which, in reasonable detail, accurately reflects the

incomes, disbursements, transactions and use of monies by any of said Defendants or other entity directly or indirectly under any of said Defendants' control;

G. Temporarily requiring that any bank or financial institution, brokerage house, escrow agent, money market or mutual fund, commodity trading company, title company, common carrier, storage company, trustee, mail receiving agent, or any other person or other entity served with a copy of this Order by any means including, but not limited to, facsimile, electronic mail, overnight delivery or hand delivery, shall: (1) hold and retain within such entity's or person's control, and prohibit the withdrawal, assignment, transfer, encumbrance, disbursement, sale, or other disposal of any assets or documents held by such entity or person on behalf of, for the benefit of, or subject to access or use by any of said Defendants; and (2) deny access to any safe deposit boxes held by such entity or person on behalf of, for the benefit of, or subject to access or use by any of said Defendants;

H. Temporarily requiring that any bank or financial institution, brokerage house, escrow agent, money market or mutual fund, commodity trading company, title company, common carrier, storage company, trustee, mail receiving agent, or any other person or other entity served with a copy of this Order by any means including, but not limited to, facsimile, overnight delivery or hand delivery, shall provide the Commonwealth, within four business days after service of this Order, a statement setting forth: (1) an identification of each account or asset titled in the name, individually or jointly, or held on behalf of, or for the benefit of, any of said Defendants; (2) the balance of each such account, or a description of the nature and value of such asset; (3) an identification of any safe deposit box that is either titled in the name of, individually or

jointly, or is otherwise subject to access or control by, any of said Defendants; and (4) if an account, safe deposit box, or other asset has been closed or removed, the date closed or removed, and the balance on said date. The accounts subject to this section include existing assets and assets deposited after the effective date of this Order;

I. Requiring that each of said Defendants shall, within five business days after receiving actual notice of this Order, prepare and serve upon the Commonwealth a financial statement. Each such financial statement shall include: (1) a complete schedule of all assets and liabilities, itemized by type, location and value (including names and addresses of financial institutions and account numbers); and (2) a list of all transfers and assignments of assets and property valued in excess of \$2,500 since January 1, 2014, indicating the name and address of the transferee or assignee, the value of the transfer or assignment, and the type and value of any consideration paid to said Defendant; and, (3) a verification from each said Defendant that the information he or she has provided has been provided subject to the penalty of perjury under 18 Pa.C.S. § 4904. Each such financial statement shall be served upon Commonwealth by facsimile or overnight delivery.

J. Requiring Defendants to disable and take any and all actions necessary to prevent consumers from being access any and all websites used by Defendants to sell furniture.

K. Scheduling a hearing pursuant to Pa.R.C.P. No. 1531(a) to consider the Commonwealth's request for preliminary injunctive relief.

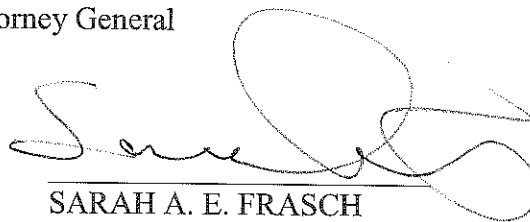
L. Granting such further relief as this Court deems appropriate to effectuate the purposes of the Consumer Protection Law.

Respectfully submitted,

COMMONWEALTH OF PENNSYLVANIA
KATHLEEN G. KANE
Attorney General

Date: 17 July 2015

By:



SARAH A. E. FRASCH
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Attorney ID #203529
Pennsylvania Office of Attorney General
Bureau of Consumer Protection
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**IN THE COURT OF COMMON PLEAS OF PHILADELPHIA COUNTY
FIRST JUDICIAL DISTRICT OF PENNSYLVANIA
CIVIL TRIAL DIVISION**

COMMONWEALTH OF PENNSYLVANIA :

Acting by Attorney General :

KATHLEEN G. KANE, :

Plaintiff :

v. :

PHILADELPHIA FURNITURE :

WAREHOUSE, INC., :

d/b/a Furniture Surplus Warehouse Outlet and :

d/b/a King Furniture Warehouse :

5351 Lancaster Avenue :

Philadelphia, Pennsylvania 19131 :

and :

FURNITURE PLUS, INC., :

d/b/a Furniture Surplus Warehouse Outlet and :

d/b/a Furniture Sir-Plus :

8033 Old York Road, Suite 210 :

Elkins Park, Pennsylvania 19027 :

and :

INTEGRATED FURNITURE SOLUTIONS, :

LLC, :

d/b/a Furniture Surplus Warehouse Outlet and :

d/b/a Furniture Sir-Plus :

8033 Old York Road, Suite 210 :

Elkins Park, Pennsylvania 19027 :

and :

LANCASTER PROPERTY HOLDINGS, LLC, :

d/b/a Furniture Surplus Warehouse Outlet and :

d/b/a Furniture Sir-Plus :

725 Meetinghouse Road :

Elkins Park, Pennsylvania 19027 :

and :

July Term, 2015

No. 02150

CIVIL ACTION – EQUITY

DANIEL ROBERTS, individually, and as :
President of Philadelphia Furniture :
Warehouse, Inc. :
900 North 63rd Street, Apartment NB :
Philadelphia, Pennsylvania 19151 :

and :

MARK FINKELSTEIN, individually, and as :
an Officer of Furniture Plus, Inc., :
Integrated Furniture Solutions, LLC, and :
Lancaster Property Holdings, LLC :
45 Buchanan Street :
Lakewood, New Jersey 08701 :

and :

CHARLES LEDERMAN, individually, and as :
an Officer of Furniture Plus, Inc., :
Integrated Furniture Solutions, LLC, and :
Lancaster Property Holdings, LLC :
725 Meetinghouse Road :
Elkins Park, Pennsylvania 19027 :

Defendants :

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the Commonwealth of Pennsylvania's *Motion for a Preliminary Injunction, Accounting and Asset Freeze* in the above captioned action was served upon the following by first class U. S. mail on the date signed below.

Philadelphia Furniture Warehouse, Inc.
5351 Lancaster Avenue
Philadelphia, Pennsylvania 19131

Daniel Roberts
5351 Lancaster Avenue
Philadelphia, Pennsylvania 19131

Furniture Plus, Inc.
c/o Charles Lederman
725 Meeting House Road
Elkins Park, Pennsylvania 19127

Integrated Furniture Solutions, LLC
c/o Charles Lederman
725 Meeting House Road
Elkins Park, Pennsylvania 19127

Lancaster Property Holdings, LLC
c/o Charles Lederman
725 Meeting House Road
Elkins Park, Pennsylvania 19127

Charles Lederman
725 Meeting House Road
Elkins Park, Pennsylvania 19127

Mark Finkelstein
45 Buchanan Street
Lakewood, New Jersey 08701

Dated: 7/21/2015



ROLANDO RAMOS-CARDONA
Deputy Attorney General
Attorney I.D. #307118
SARAH A. E. FRASCH
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