

Thomas C. Horne
Attorney General
(Firm State Bar No. 14000)
Dena R. Benjamin
Assistant Attorney General
State Bar No. 015421
Office of the Attorney General
1275 West Washington Street
Phoenix, AZ 85007
Telephone: (602) 542-3725
Facsimile: (602) 542-4377
consumer@azag.gov
Attorneys for Plaintiffs

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
IN AND FOR THE COUNTY OF MARICOPA

STATE OF ARIZONA, *ex rel.* THOMAS C.
HORNE, Attorney General and LAUREN
KINGRY, Superintendent of the Arizona
Department of Financial Institutions,

Plaintiffs,

vs.

ABRAHAM BEKELIAN, and JANE DOE
BEKELIAN, husband and wife; PATRICK
BECK and PRISCILLA BECK, husband and
wife; LEONARD DIAZ and ANA LUISA
DIAZ, husband and wife; and LEONARD
DIAZ, doing business as LD AUTOMOTIVE
GROUP,

Defendants.

Case No.: CV2009-020793

**STIPULATED ADDENDUM TO
CONSENT JUDGMENT AS TO
DEFENDANT ABRAHAM BEKELIAN**

(Assigned to Hon. John Rea)

The State of Arizona, *ex rel.* Thomas C. Horne, Attorney General ("State"), and Abraham Bekelian, having entered into a Consent Judgment filed December 16, 2010, attached as Exhibit One hereto and incorporated by reference, admit that the Court has continuing jurisdiction over the subject matter and the parties for the purpose of entry of this Stipulated Addendum to Consent Judgment, pursuant to Arizona Revised Statutes ("A.R.S.") § 44-1532.

I. PARTIES

1. Plaintiff is the State of Arizona, *ex rel.* Thomas C. Horne, the Attorney General of Arizona, who is authorized to bring this action pursuant to the Arizona Consumer Fraud Act, A.R.S. § 44-1521, *et seq.*

2. Plaintiff Lauren Kingry is the Superintendent of the Arizona Department of Financial Institutions (“Department”).

3. Defendant Abraham Bekelian (“Bekelian”) is a resident of Maricopa County, Arizona and was the majority owner of Bekelian Auto Sales & Leasing, Inc. an Arizona corporation that did business as a motor vehicle dealer at 2020 East Bell Road in Phoenix, Arizona under the trade names of 2020 Automotive Group and 2020 Automotive Group Isuzu (“2020 Auto”), and was the subject of a consumer fraud action and consequent consent judgment, to which this Stipulated Addendum applies.

II. STIPULATED FINDINGS OF FACT

4. The parties stipulate that Abraham Bekelian violated the 2010 Consent Judgment attached hereto as Exhibit One, namely the Payment Provisions contained in the 2010 Consent Judgment in that Mr. Bekelian failed to make payments as described in paragraphs twenty-two – twenty-four (22-24) of the judgment.

5. Mr. Bekelian received written notice from the State of his failure to make payments and he failed to cure the deficiency within fifteen calendar days.

III. STIPULATED CONCLUSIONS OF LAW

6. The parties stipulate that Abraham Bekelian’s failure to make payments as required by the terms of the 2010 Consent Judgment invokes the Civil Penalty provision of paragraph twenty-eight (28), in the amount of

\$250,000, less any amounts previously paid to the State, which amounts will be immediately due and owing, with interest accruing at the statutory rate.

IV. ADDENDUM TO PAYMENT PROVISIONS

7. The parties stipulate that Judgment may be entered in favor of Plaintiff and against Defendant Abraham Bekelian in the amount of two-hundred forty-five thousand five hundred dollars (\$245,500) in civil penalties to the State, plus interest at the statutory rate from the date of entry of this Addendum to Consent Judgment. Any amounts received shall be deposited by the Attorney General into the consumer protection–consumer fraud revolving fund in accordance with A.R.S. § 44-1531.01 and used for the purposes specified therein.

8. The parties stipulate that Judgment may be entered in favor of Plaintiff and against Defendant Abraham Bekelian in the amount of fifty-one thousand five hundred dollars (\$51,500) for consumer restitution, which is the current balance owed to the State pursuant to the 2010 Consent Judgment. Interest will accrue on this amount at the statutory rate from the date of entry of this Stipulated Addendum to Consent Judgment.

9. The parties stipulate that Judgment may be entered in favor of Plaintiff and against Defendant Abraham Bekelian in the amount of one thousand five hundred dollars (\$1,500) as costs and fees for filing the contempt petition and pursuant to A.R.S. § 44-1531, and said amount shall be deposited by the Attorney General into the consumer protection–consumer fraud revolving fund in accordance with A.R.S. § 44-1531.01 and used for the purposes specified therein.

V. GENERAL TERMS

10. The State acknowledges by its execution hereof that this Stipulated Addendum to Consent Judgment constitutes a complete settlement of its

allegations against Abraham Bekelian described in its Petition for Order to Show Cause Regarding Contempt as to Defendant Abraham Bekelian filed with this court on October 2, 2012, and it agrees that it shall not institute any additional civil action against him based on those allegations.

11. Notwithstanding the foregoing, the State may institute actions or proceeding to enforce the terms and provisions of this Stipulated Addendum to Consent Judgment (including the underlying 2010 Consent Judgment incorporated herein by reference) or to take action based on future conduct by Abraham Bekelian.

12. Except as provided above, all other terms in the 2010 Consent Judgment (attached hereto as Exhibit One) remain in full force and effect.

DATED this _____ day of _____, 2012.

Judge of the Superior Court

CONSENT TO JUDGMENT

1. Abraham Bekelian ("Bekelian") states that no promise of any kind or nature whatsoever was made to induce him to enter into this Stipulated Addendum to Consent Judgment and that he has entered into the Consent Judgment voluntarily.

2. Bekelian has fully read and understands this Stipulated Addendum to Consent Judgment, understands the legal consequences involved in signing it, asserts that this is the entire agreement of the parties, and that there are no other representations or agreements not stated in writing herein, and no force, threats, or coercion of any kind have been used to obtain his signature. Bekelian has

the right to consult with an attorney prior to entering into this Stipulated Addendum to Consent Agreement and has done so.


3. Bekelian acknowledges that the Plaintiff State of Arizona's acceptance of this Stipulated Addendum to Consent Judgment is solely for the purpose of settling this litigation and does not preclude the Plaintiffs, or any other agency or officer of this State, or subdivision thereof, from instituting other civil or criminal proceedings as may be appropriate now or in the future.

DATED this 9 day of November, 2012.


Abraham Bekelian

APPROVED AS TO FORM AND CONTENT:

Thomas C. Horne
Attorney General

By: 
Dena R. Benjamin
Assistant Attorney General
Counsel for Plaintiff

Granted

Signed on this day, November 13, 2012



/S/ John Rea
Judicial Officer of Superior Court

Exhibit A

FILED

12-16-10 4:03pm
MICHAEL K. JEANES, Clerk

By L. Gilbert
L. Gilbert, Deputy

1 Terry Goddard
Attorney General
2 (Firm State Bar No. 14000)
Dena Rosen Epstein
3 Assistant Attorney General
State Bar No. 015421
4 Office of the Attorney General
1275 West Washington Street
5 Phoenix, AZ 85007
Telephone: (602) 542-3725
6 Facsimile: (602) 542-4377
consumer@azag.gov
7 Attorneys for Plaintiffs

8 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**

9 **IN AND FOR THE COUNTY OF MARICOPA**

10 STATE OF ARIZONA, *ex rel.* TERRY
GODDARD, Attorney General and LAUREN
11 KINGRY, Superintendent of the Arizona
Department of Financial Institutions,

12 Plaintiffs,

13 vs.

14 ABRAHAM BEKELIAN, and JANE DOE
15 BEKELIAN, husband and wife; PATRICK
BECK and PRISCILLA BECK, husband and
16 wife; LEONARD DIAZ and ANA LUISA
DIAZ, husband and wife; and LEONARD
17 DIAZ, doing business as LD AUTOMOTIVE
GROUP,

18 Defendants.
19

Case No.: CV2009-020793

**CONSENT JUDGMENT AS TO
DEFENDANT ABRAHAM BEKELIAN**

(Assigned to Hon. John Rea)

20 The State of Arizona, having filed a Complaint alleging violations of the Arizona
21 Consumer Fraud Act, A.R.S. § 44-1521, *et seq.* and other laws; Defendant Abraham Bekelian
22 ("Bekelian" or "Defendant"), having been served with a copy of the Complaint; having been
23 fully advised of the right to a trial in this matter and, after being informed of the right to counsel,
24 admits that this Court has jurisdiction over the subject matter and the parties for purposes of
25 entry of this Consent Judgment and acknowledges that this Court retains jurisdiction for the
26 purpose of enforcing this Consent Judgment.

A. Defendant has agreed to a voluntary compromise of disputed claims and the State of Arizona and Defendant have agreed on a basis for the settlement of these matters in dispute.

B. This Consent Judgment does not constitute an admission by Defendant or evidence of any liability for any violation of the Arizona Consumer Fraud Act or of any other state or federal statute, rule, regulation or other applicable law. This Consent Judgment is made without trial or adjudication of any issues of fact or law or finding of liability of any kind.

PARTIES

1. Plaintiff is the State of Arizona, *ex rel.* Terry Goddard, the Attorney General of Arizona, who is authorized to bring this action under the Consumer Fraud Act, A.R.S. § 44-1521, *et seq.*

2. Plaintiff Lauren Kingry is the Superintendent of the Arizona Department of Financial Institutions ("Department").

3. Defendant Abraham Bekelian, an Arizona resident, was the President and majority owner of Bekelian Auto Sales & Leasing, Inc., an Arizona corporation that did business as a motor vehicle dealer at 2020 East Bell Road in Phoenix, Arizona under the trade names of 2020 Automotive Group and 2020 Automotive Group Isuzu ("2020 Automotive"). He is unmarried.

4. The 2020 Automotive dealership closed in October 2008. On or about February 9, 2009, Bekelian Auto Sales & Leasing, Inc., filed for Chapter 7 bankruptcy in the United States District Court, District of Arizona.

DEFINITIONS

5. For purposes of this Consent Judgment, the following definitions shall apply:

(a) "Advertisement" (including the terms "advertise" and "advertising") means any oral, written, graphic, or pictorial statement made that concerns the offering of motor vehicles for sale or lease. "Advertisement" includes, but is not limited to, any oral or written statement or representation made for the purpose of inducing, soliciting, or encouraging consumers in the State of Arizona to purchase goods or services, whether made in a newspaper, magazine, or

1 other publication; on radio or television; via the Internet or other computer networks, including
2 statements or representation appearing on Defendant's websites or on the websites of other
3 companies such as AutoTrader.com; in any notice, handbill, sign, billboard, banner, poster,
4 display, circular, pamphlet, letter, or other printed material; contained in any window sticker or
5 price tag. With respect to the price of a motor vehicle, the price posted on the vehicle is
6 considered an "advertisement" (in addition to vehicle prices posted on the Internet or otherwise
7 published in the media). "Advertisement" does not, however, include statements made solely for
8 the purposes of obtaining financing or vehicle titles.

9 (b) "Aftermarket Item" means any accessory, equipment, option, add-on, service,
10 warranty, or product installed on or sold in connection with a motor vehicle that was not
11 installed by the original manufacturer, or any product or service sold in connection with
12 obtaining financing for a motor vehicle purchase. This may include, but is not limited to, vehicle
13 theft registration, window etch, or other anti-theft devices; desert paint protection or any other
14 sealant or product designed to protect the interior or exterior surface of a motor vehicle; window
15 tint; any type of insurance, including GAP insurance; extended service contracts or warranties;
16 wheels, pinstripes, CD or DVD players, moon roof, sound system, bed liners, running boards,
17 bug deflection, dash and/or floor mats, exhaust, ground effects, hood scoops, leather, lifts,
18 navigation system, roof rack, satellite radio, tonneau covers, tool box, TV's winches and wings.

19 (c) "Clear and conspicuous" (including the terms "clearly" and "conspicuously")
20 means that the statement, representation, or term is stated in words numbers and symbols that
21 are reasonably understandable by the person(s) to whom it is directed. If a statement,
22 *representation or term in an advertisement (including any statement, representation or term set*
23 *forth in a footnote)* purports to clarify, modify or explain any other statement, representation or
24 term in the same or another advertisement, then the statement is "clear and conspicuous" if (1) it
25 does not contradict such other statement, representation or term; (2) it is situated in the
26 advertisement in a manner which makes its relation to the statement, representation or term it

1 clarifies, modifies or explains reasonably apparent and (3) is printed in large enough type so that
2 it is readily noticeable (10-point type or larger satisfies this requirement per se).

3 (d) "Effective Date" of this Consent Judgment means the date it is signed by the
4 Court.

5 (e) "State" refers collectively to the Plaintiffs, the Attorney General and the
6 Superintendent of the Arizona Department of Financial Institutions.

7 (f) "Term" as in "term of this Consent Judgment" includes each and every provision
8 of this Judgment except for the introductory Paragraphs A and B.

9 **ORDER**

10 6. This Order applies to Defendant Abraham Bekelian, any entity controlled by
11 Bekelian, any successor entity or entities, whether by acquisition, merger or otherwise, and to
12 current and future principals, officers and directors, assists and successors, managerial or
13 supervisory employees, and to any other employees or agents, any other person or entity acting
14 at Bekelian's direction or on his behalf, and to other persons participating in the conduct or
15 affairs of any motor vehicle dealership in which Bekelian is an owner or principal (referred to
16 collectively below as "Bekelian").

17 7. Bekelian shall comply with the Arizona Consumer Fraud Act, A.R.S. § 44-1521,
18 *et seq.*, as it is currently written, or as amended in the future.

19 8. Bekelian's advertisements shall be truthful and not misleading. All offers to sell a
20 motor vehicle shall clearly and conspicuously disclose all material facts, terms and conditions
21 relating to the offer. Any disclosures or disclaimers related to any statements, representations or
22 terms in any advertisement shall be clear and conspicuous.

23 9. Bekelian shall not engage in false or deceptive advertising with respect to the price
24 of motor vehicles offered for sale. Bekelian shall comply with the Better Business Bureau's
25 Auto Advertising Guidelines for Arizona and the Attorney General's Arizona Auto Advertising
26 Guidelines.

1 10. Bekelian shall not require consumers to purchase Aftermarket Items as a condition
2 of selling a motor vehicle or as a condition of obtaining credit or financing.

3 11. Before Bekelian offers or attempt to sell any Aftermarket Item to a consumer,
4 Bekelian must clearly and conspicuously disclose, verbally and in writing, that purchasing
5 Aftermarket Items is optional and not required as a condition of sale.

6 12. When offering Aftermarket Items for sale, Bekelian shall (a) clearly and
7 conspicuously disclose to the consumer, on a single document, the material terms and conditions
8 of each Item being offered for sale, including its cost; (b) ensure the form consumers are
9 required to sign to purchase the Aftermarket Item contains these material terms and conditions;
10 and (c) ensure the total purchase price of the vehicle is not otherwise increased as a result of the
11 purchase of an Aftermarket Item.

12 13. Bekelian shall not add a "fuel fee," "gas charge" or any other similar fee to the
13 cost of purchasing a motor vehicle. Any costs associated with filling the gas tank of the vehicle
14 shall be included in the advertised price.

15 14. Bekelian shall not add "bank fees," "finance charges" or any other similar fee to
16 the cost of purchasing a motor vehicle, except as explicitly allowed by the Truth in Lending Act,
17 15 U.S.C. § 1601, *et seq.*, its regulations and any amendments thereto, and only as may be
18 necessary in connection with a customer's desire to finance the purchase of a motor vehicle
19 subject to any disclosure of the terms of the financing as may be required by law.

20 15. Bekelian shall not sell any motor vehicle for more than the lowest advertised price
21 in effect, regardless of trade in-value or whether the consumer is aware of the advertisement.

22 16. Bekelian shall not engage in any motor vehicle dealer or sales finance company
23 activity in Arizona unless and until he has obtained the appropriate license from the
24 Superintendent of the Arizona Department of Financial Institutions ("Department") in
25 compliance with A.R.S. § 44-282, *et seq.*

26 17. Bekelian shall comply with all Arizona statutes and rules regulating motor vehicle

1 dealers and sales finance companies, including but not limited to A.R.S. § 44-281, *et seq.*

2 18. The parties agree that a violation of this Consent Judgment is grounds for the
3 Department to deny a motor vehicle or sales finance license to Abraham Bekelian or to take
4 enforcement action against either license if issued by the Department, in addition to all other
5 bases permitted by law.

6 19. Bekelian shall promptly respond to any request for information by the Attorney
7 General's Office or the Department regarding his compliance with this Judgment or any other
8 business activity.

9 **PAYMENT PROVISIONS**

10 20. The payment provisions of this Consent Judgment are based on certain
11 representations Defendant has made concerning his financial condition. If the State has
12 reasonable cause to believe these representations were untrue, the State may immediately move
13 the Court to modify or enforce this Judgment, notwithstanding Paragraphs 32 and 33 below.

14 21. The State is awarded judgment against Defendant Abraham Bekelian in the
15 amount of Fifty-Six Thousand Dollars (\$56,000.00), for consumer restitution and civil penalties.
16 Defendants shall pay a total of Two Thousand Dollars (\$2,000.00) on or before the Effective
17 Date, and then make minimum monthly payments to the Office of the Attorney General in
18 accordance with the payment schedule attached as Exhibit A and incorporated herein as though
19 set forth in full.

20 22. If Defendant Bekelian pays a total of Forty-Five Thousand Dollars (\$45,000.00) to
21 the Attorney General on or before December 31, 2012, the Attorney General will consider the
22 judgment for \$56,000.00 set forth above to have been satisfied in full.

23 23. The Attorney General shall deposit the first Twenty-One Thousand Dollars
24 (\$21,000.00) paid under this Judgment in a separate interest bearing trust account to be
25 distributed on a pro rata basis to eligible consumers as determined by the Attorney General's
26 Office. To be potentially eligible for restitution, a consumer must have filed a complaint with

1 the Arizona Attorney General's Office or the Better Business Bureau on or before June 30,
2 2010. In the event that any portion of the restitution ordered herein cannot be distributed to
3 eligible consumers, the remaining amount and any accrued interest shall be deposited into the
4 consumer protection-consumer fraud revolving fund in accordance with A.R.S. § 44-1531.01
5 and used for the purposes specified therein.

6 26. The remaining amounts owed by Defendant Bekelian under this Judgment
7 (\$35,000 or \$24,000, depending on whether Paragraph 22 applies) will be paid to the Attorney
8 General as and for civil penalties pursuant to A.R.S. § 44-1531 and shall be deposited into the
9 consumer protection-consumer fraud revolving fund in accordance with A.R.S. § 44-1531.01
10 and used for the purposes specified therein.

11 27. Should Defendant default on any payment obligation imposed by this Judgment,
12 and further fail to cure the deficiency within fifteen calendar days after having received written
13 notice from the State of any amount past due, in addition to any other penalties and remedies
14 provided by law, all payments set forth herein shall be accelerated and shall become due and
15 owing in their entirety as of the date of the default, with interest accruing at the statutory rate for
16 the full amount owing as of that date.

17 28. Should the Court find that Defendant Abraham Bekelian has violated any term of
18 this Consent Judgment (whether a payment obligation or an injunctive term), a civil penalty in
19 the amount of two hundred fifty thousand dollars (\$250,000) (less any amounts previously paid
20 under this judgment) will be assessed against him. The entire amount of the civil penalty will be
21 immediately due and owing, with interest accruing at the statutory rate.

22 29. Any monies paid as civil penalties pursuant to Paragraph 28 above shall be
23 deposited into the consumer protection-consumer fraud revolving fund in accordance with
24 A.R.S. § 44-1531.01 and used for the purposes specified therein.

25 **GENERAL TERMS**

26 30. The Defendant shall not represent or imply that the Attorney General, the State of

1 Arizona, or any agency thereof has approved any of his actions in Arizona or has approved any
2 of his past, present or future business practices in Arizona, and he is enjoined from directly or
3 indirectly representing anything to the contrary.

4 31. This Court retains jurisdiction of this matter for the purposes of entertaining an
5 application by Plaintiff, State of Arizona, for the enforcement of this judgment.

6 32. This Consent Judgment may be modified or vacated by order of this Court. After
7 providing at least thirty (30) days written notice and after making a good faith effort to obtain
8 concurrence of the other party for the requested order to modify or vacate, which concurrence
9 shall not be unreasonably withheld, the party seeking an order to modify or vacate may petition
10 this Court therefore. The Court will modify or vacate this Consent Judgment upon a showing of
11 good cause.

12 33. Before invoking the civil penalty provision of Paragraph 28 above or initiating any
13 proceeding to enforce this Consent Judgment, the Attorney General shall provide at least thirty
14 (30) days written notice to the Defendant of his or her intent to proceed, and shall give the
15 Defendant a reasonable opportunity to cure any alleged violation. Whenever possible, the parties
16 shall seek to resolve an alleged violation of this Consent Judgment by discussion. In determining
17 whether to invoke the civil penalty provision of Paragraph 28 or to otherwise enforce this
18 Consent Judgment or to seek an order for monetary, civil contempt, or any other relief or
19 sanction, the Attorney General shall give good faith consideration to whether the Defendant has
20 taken corrective action designed to cause the claimed violation to be cured and to prevent future
21 occurrences. If the State prevails in litigation filed to enforce any term of this Consent
22 Judgment, Defendant is liable for the State's attorneys' fees and costs so incurred.

23 34. The provisions of this Judgment concerning the \$250,000 civil penalty will
24 terminate within ten (10) years of the Effective Date of this Judgment. All other terms will
25 remain in full force and effect.

26 35. The State acknowledges by its execution hereof that this Consent Judgment

1 constitutes a complete settlement of its consumer fraud allegations against the Defendant based
2 on the specific conduct described in the Complaint.

3 36. Notwithstanding the foregoing, the State may institute an action or proceeding to
4 enforce the terms and provisions of this Consent Judgment and may take action based on future
5 or unrelated conduct by the Defendant. Nothing in this Consent Judgment precludes any state or
6 governmental entity from taking civil or criminal action against Defendant.

7 37. This Consent Judgment is entered as a result of a compromise and a settlement
8 agreement between the parties. Defendant waives any rights to seek judicial appeal or to
9 otherwise challenge or contest the validity of this Consent Judgment. Only the parties to this
10 action may seek enforcement of this Consent Judgment. Nothing herein is intended to create a
11 private right of action by other parties.

12 38. This Consent Judgment shall not limit the rights of any private party to pursue any
13 remedies allowed by law.

14 39. Any notice required under this Judgment shall be given as follows:

15 To Abraham Bekelian:

16 2020 East Bell Road
17 Phoenix, AZ 85032

18 With a copy to:

19 David Goldstein
20 Hymson Goldstein & Pantiliat PC
21 14646 N. Kierland Blvd., Suite 255
22 Scottsdale, AZ 85254-0001
23 Attorney for Defendant

24 To Plaintiff:

25 Dena Rosen Epstein
26 Office of the Attorney General
Consumer Protection and Advocacy Section
1275 West Washington Street
Phoenix, AZ 85007

1 40. The terms of this Consent Judgment shall be effective as of the date it is approved
2 by the Court.

3 DATED this 16th day of December, 2010.

4
5
6 

7 Judge of the Superior Court
8 John C. Rea
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6

2
3
4

5
6
7
8

9
0
1
2

3

4
5
6

EXHIBIT A

Defendant Abraham Bekelian shall make minimum monthly payments according to the following schedule, on or before the 15th of each month:

MONTH	2011	2012	2013
January	\$500.00	\$1,500.00	\$2,500.00
February	500.00	1,500.00	2,500.00
March	500.00	1,500.00	2,500.00
April	500.00	1,500.00	2,500.00
May	500.00	1,500.00	2,500.00
June	500.00	1,500.00	2,500.00
July	500.00	1,500.00	2,500.00
August	500.00	1,500.00	2,500.00
September	500.00	1,500.00	2,500.00
October	500.00	1,500.00	2,500.00
November	500.00	1,500.00	2,500.00
December	500.00	1,500.00 ¹	2,500.00

TOTAL: \$54,000.00

¹ If a total of \$45,000 is paid by December 31, 2012, the Judgment will be satisfied, pursuant to Paragraph 22 above.