

**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK**

PEOPLE OF THE STATE OF NEW YORK, by
LETITIA JAMES, Attorney General of the
State of New York,

Petitioners,

– against –

QUALITY KING DISTRIBUTORS, INC. and
GLENN NUSSDORF,

Respondents.

Index No. 451296/2020

L. Kotler
Hon. ~~Eileen A. Rakower~~

IAS Part **8**

CONSENT ORDER AND JUDGMENT

Upon reading the Verified Petition of Petitioners the People of the State of New York, by their attorney Letitia James, Attorney General of the State of New York (“NYAG”), alleging that Respondents engaged in price-gouging in sales of Lysol disinfecting products (including Lysol Spray and Lysol Wipes) (as those terms are used in the Verified Petition) in violation of General Business Law Section 396-r, and that such conduct constituted repeated and persistent illegal acts in violation of Executive Law § 63(12), Doc. 1; and upon the Verified Answer of Respondents denying those allegations and raising certain issues and defenses, Doc. 207; and upon the Motion of Respondents to Dismiss, Doc. 111, and all the papers and pleadings relating thereto; and upon the Respondents’ Opposition to the Verified Petition, Doc. 59, and all the papers and pleadings relating thereto; and upon this Court’s Order dismissing the Petition as against Respondent Glenn Nussdorf and denying the claims sought by Petitioners in the Verified Petition as against

Respondent Quality King Distributors, Inc. (“Quality King”), Doc. 221; and upon the decision of the Supreme Court of the State of New York, Appellate Division, First Department, reversing the Order of this Court relating to Quality King; concluding that Petitioners’ “evidence demonstrated, prima facie, that Quality King sold the Lysol product at unconscionably excessive prices on at least several occasions”; and remanding for further proceedings to determine “whether . . . Quality King engaged in other proscribed price gouging activities, whether and to what extent Quality King’s price increases were justified, and, ultimately, the extent of Quality King’s price-gouging activities,” Doc. 239; and upon the Stipulation of Settlement, dated ~~April~~ March 6, 2023, which is incorporated by reference herein and in which the parties thereto consent to entry of this Consent Order and Judgment (“Consent Order”); and upon all other pleadings and proceedings had herein;

IT NOW APPEARS that QUALITY KING is willing to enter this Consent Order on its behalf, in order to resolve the allegations contained in the Verified Petition and to avoid further litigation;

NOW, on application of LETITIA JAMES, Attorney General of the State of New York, attorney for Petitioners (John P. Figura, of counsel), and upon consent of Quality King and its counsel, Anthony J. Viola;

IT IS HEREBY ORDERED, ADJUDGED AND DECREED as follows.

RESPONDENT NUSSDORF

1. All claims against Respondent Nussdorf were previously dismissed by this Court (Doc. 222), and Petitioners did not appeal that dismissal.

2. Accordingly, nothing in this Consent Order and nothing in the decision of the Appellate Division, First Department in this case negates, invalidates, or calls into question the prior dismissal of Respondent Nussdorf, or imposes any obligation upon him.

COMPLIANCE WITH THE LAW

3. Quality King shall not engage in any acts or practices in violation of GBL § 396-r.

4. If the NYAG believes that any violation of the provision in Paragraph 1, *supra*, has occurred, the NYAG shall provide Respondents with notice of the alleged violation and with a thirty (30) day period in which to cure such alleged violation or to resolve any dispute with the NYAG. The NYAG shall not attempt to void this Consent Order or commence any civil action to enforce this Consent Order concerning any such alleged violation until after this thirty (30) day notice-and-cure period has run, provided, however, that the NYAG shall not be obligated to provide Respondents with notice of alleged violation and an opportunity to cure on more than two occasions in any one calendar year.

5. Nothing in this Consent Order shall serve to limit, reduce, or deprive Quality King of any argument or defense regarding any future claim that it violated GBL § 396-r.

MONETARY PROVISIONS

6. Within fifteen (15) calendar days of entry of this Order and Judgment, Quality King shall pay to the NYAG by check the total amount of one hundred thousand dollars (\$100,000.00).

7. Of this amount, twenty thousand dollars (\$20,000.00) shall be deemed a civil penalty pursuant to General Business Law § 396-r.

8. The NYAG shall apply the balance to restitution or remediation regarding the conduct alleged in the Petition, and/or to the costs of this investigation and proceeding, at the discretion of the Attorney General, except that no part of said balance shall revert to Quality King.

9. If Quality King fails to pay said amount timely, upon application of the NYAG, the Court may direct the entry of a money judgment against Quality King and in favor of the People of the State of New York for any unpaid portion thereof, and the NYAG shall undertake execution thereof.

ENFORCEMENT

10. Any violation of the Monetary Provisions of this Consent Order by Quality King shall constitute a default.

11. This Court shall retain jurisdiction to hear any proceeding seeking to enforce the terms of this Consent Order, whether an action for specific performance, contempt, or any other relief. The Court shall also retain jurisdiction of this action for the purpose of carrying out or modifying the terms of this Consent Order or granting such further relief as the Court deems proper.

12. Quality King shall reimburse those reasonable costs paid by the NYAG to third parties (e.g., translators, court fees, court reporters, etc.) related to any action to enforce this Consent Order.

MISCELLANEOUS PROVISIONS

13. This Consent Order resolves all claims brought by Petitioners, or which could have been brought by Petitioners, against Quality King, its principals, directors, officers, shareholders, employees, or assignees concerning Quality King's pricing of Lysol disinfecting products prior to the date of the filing of the fully executed Stipulation, which is incorporated herein.

14. Nothing in this Consent Order is, or shall be construed to be, an acknowledgement by Quality King of any violation of GBL § 396-r or of Executive Law § 63(12).

15. Nothing in this Consent Order shall be construed as relieving Quality King of its obligation to comply with all state, city, and federal laws and regulation, nor shall any of the terms of this Consent Order be deemed to grant Quality King permission to engage in any acts or practices prohibited by such laws and regulations. Acceptance of this Consent Order by the NYAG shall not be deemed approval by the NYAG of any of the practices or procedures referenced herein, and Quality King shall make no representation to the contrary.

16. Any failure of the NYAG to exercise any right under any provision of this Consent Order shall not constitute a waiver of any rights of the NYAG to enforce such provision prospectively.

17. Nothing contained in this Consent Order shall be construed to deprive any individual or entity of any private right of action under the law.

18. This Consent Order (along with the Consent & Stipulation that is incorporated by reference into this Consent Order) sets forth all of the promises,

covenants, agreements, conditions, and understandings between the parties, and supersedes all prior and contemporaneous agreements, understandings, inducements, or conditions, express or implied, between the parties. There are no representations, arrangements, or understandings, oral or written, between the parties relating to the subject matter of this Consent Order that are not fully expressed herein.

19. Quality King shall not state or cause to be stated that the NYAG has approved, sanctioned, or authorized any practice, act, or conduct of Quality King.

20. Quality King waives any further notice of submission of this Consent Order to and filing thereof with this Court and agrees to accept service of a conformed copy by email to the email address stated in Paragraph 22.

21. This Consent Order shall be administered, construed, and enforced according to the laws of the State of New York.

22. Any notices, statements or other written documents required by this Consent Order shall be provided by electronic mail to the intended recipient at the addresses set forth below, unless a different address is specified in writing by the party changing such address.

For Petitioners:


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Assistant Attorney General
Office of the New York State Attorney General
Bureau of Consumer Frauds and Protection
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For Quality King:

Anthony J. Viola
Member
Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.
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23. In accordance with this Consent Order and Judgment and the Consent and Stipulation executed by the Parties, all claims asserted in this proceeding are hereby discontinued with prejudice.

24. The Clerk is hereby directed to enter this Consent Order and Judgment forthwith.



J.S.C. 5/4/2023

HON. LYNN R. KOTLER

17 th May, 2023

Date



Clerk

FILED
MAY 17 2023
AT 11:51 A M
N.Y. CO. CLK'S OFFICE

FILED
May 17 2023
NEW YORK
COUNTY CLERK'S OFFICE

Judgment
Index#451296/2020