

IN THE CIRCUIT COURT FOR THE STATE OF OREGON

FOR THE COUNTY OF MULTNOMAH

325015 21019
JUL 18 1993

1
2 IN THE MATTER OF:)

3 FIDELITY FIRST FINANCIAL CORP.,)
4 a Virginia Corporation, and)
5 ANWAR KHAN,)

6 Respondents.)

08067

No. 9312-08067

ASSURANCE OF
VOLUNTARY COMPLIANCE

7 1.

8 Respondent, FIDELITY FIRST FINANCIAL CORP., is a Virginia
9 corporation which is not registered to do business in the State of
10 Oregon (hereinafter, referred to as "FIDELITY"). Respondent, ANWAR
11 KAHN, is the President of FIDELITY and is the individual who
12 conducts auction sales for FIDELITY within the State of Oregon.
13 Respondents solicited and sold Oriental Carpets and Rugs at auction
14 in Oregon.

15 2.

16 Respondents hereby waive notice under ORS 646.632 and submit
17 this Assurance of Voluntary Compliance for settlement of alleged
18 unlawful trade practices and without admitting any violation of
19 law. Respondents and the Oregon Department of Justice agree that
20 the Assurance of Voluntary Compliance is a compromise of disputed
21 claims and that nothing contained herein shall in any way be
22 construed as an admission of unlawful activity by respondents.

23 3.

24 Respondents hereby agree, individually and in any business or
25 corporate capacity:

26 (a) Not to violate any of the provisions of the Oregon

awful Trade Practices Act, ORS 646.605 through 646.656
including, but not limited to:

1. Not to advertise or make false, deceptive, or misleading representations of fact concerning:

a. The reasons for or type of the auction or sale.

b. The type, source, or quantity of goods which are for sale.

2. To list in any advertisement the words, "MAINLY CONSISTS OF OTHER ORIENTAL CARPETS TO BE SOLD," in capital letters and in one-quarter (1/4) of the size of print of the letters of "PERSIAN AND ORIENTAL RUGS," if in truth and in fact the carpets do mainly consist of other oriental carpets.

(b) To comply with ORS 60.701 and 648.007.

(c) Not to violate any of the provisions of Oregon Revised Statutes Chapter 698.

(d) Respondents shall retain in their possession for a period of one year upon completion of any auction by Respondents, copies of bidder's sign-in sheets, clerking sheets and invoice documents used by respondents which show which bidders purchased which goods, a description of the goods, and the price, terms and conditions of the sale. All purchasers shall receive a receipt for the purchase and Respondents shall keep a copy of these receipts. These documents will be provided to the Attorney General upon written notice to the Respondent. Respondent shall have 14 days within which to submit the requested documents to the Attorney General.

(e) Not to partition the seating of the bidders of any

1 auction so that all bidders are not visible to all other bidders
2 during the auction. All bidders must have a clear and unobstructed
3 view of all other bidders.

4 (f) To post a sign no smaller than 11 by 14 inches with
5 letters no smaller than 2 inches high and to place in any
6 advertisement the disclosure "10% Freight and Handling Fee to be
7 added to each purchase."

8 (g) Prior to any auction all goods that will be offered for
9 auction will be displayed, or made available for inspection, in
10 such a manner that each piece may be viewed individually for
11 quality and markings showing its place of origin.

12 (h) To place on all bidding cards in at least 10-point print
13 type the disclosure that "This auction is with reserve and the
14 auctioneer reserves the right to withdraw the goods or state a
15 minimum price at any time prior to completion of the sale."

16 (i) To comply with the provisions of the Oregon Commercial
17 Code regarding Sale by Auction, ORS 72.3280.

18 (j) For a period of twelve months, to submit to the
19 Department of Justice all advertisements to be circulated or run in
20 Oregon for auctions to be held in Oregon by Respondents.
21 Respondents shall provide the Department five (5) days prior to the
22 date of the auction, a copy of any ad to be run, a written notice
23 of the date of the auction, the merchandise to be auctioned, the
24 name, address, telephone number of the auctioneer, or the person
25 responsible for the conduct of the auction and the location of the
26 auction.

4.

1 Respondents understand and agree that if this Assurance of
2 Voluntary Compliance is accepted by the prosecuting attorney
3 herein, it will be submitted to the Circuit Court of Multnomah
4 County, Oregon, for approval, and, if approved, will be filed with
5 the Clerk/Trial Court Administrator of that court.

6 5.

7 Respondents acknowledge receipt of a copy of this Assurance of
8 Voluntary Compliance prior to filing. Respondents further agree to
9 accept service of a conformed copy by prepaid first class mail sent
10 to their attorney's address. Respondents expressly waive personal
11 service of a conformed copy of this Assurance of Voluntary
12 Compliance after it has been filed.

13 6.

14 Respondents agree to pay to the Oregon Department of Justice
15 at the time of execution of this assurance the sum of \$2,000.00 for
16 attorney fees and investigative costs and other associated costs of
17 its investigation.

18 7.

19 Subsequent wilful violations of the terms of this Assurance of
20 Voluntary Compliance may result in civil penalties of up to \$25,000
21 for each violation, and such further relief as the court, under the
22 circumstances, may deem appropriate.

23 8.

24 Respondents understand and agree that this Assurance of
25 Voluntary Compliance applies to them, their agents, employees,
26

representatives, successors, and assigns, jointly and severally,
1 while acting personally or through any corporation or other
2 business entity, whose acts, practices, or policies are directed,
3 formulated, or controlled by respondents.

4 FIDELITY FIRST FINANCIAL CORP.

5
6 by Anwar Khan
its _____

7 There appeared before me this 22 day of SEPT,
8 1993, Anwar Khan, who first being duly sworn on oath, stated that
9 he was and is the PRESIDENT of FIDELITY FIRST
10 FINANCIAL CORP. and is authorized and empowered to sign this
11 Assurance of Voluntary Compliance on behalf of FIDELITY FIRST
12 FINANCIAL CORP. and bind same to the terms hereof.

11
12 Karen Steiner
Notary Public for Virginia
My commission expires: 7-31-96

13
14 _____
Anwar Khan, individually

15 SUBSCRIBED AND SWORN TO BEFORE ME THIS 22 DAY OF SEPTEMBER
16 _____, 1993.

17 Karen Steiner
Notary Public for Virginia
18 My commission expires: 7-31-96

19 ACCEPTED This 11th day of October, 1993

20 THEODORE R. KULONGOSKI, #760080
21 ATTORNEY GENERAL

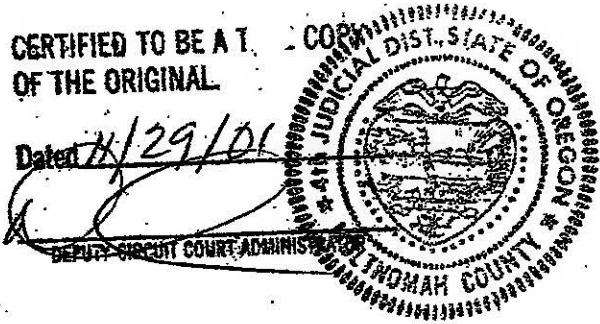
22 Eugene Ebersole
Eugene E. Ebersole, #81475
23 ASSISTANT ATTORNEY GENERAL

24 Approved for filing this 15 day of Dec, 1993.

25 Ed Spivey
26 _____
Circuit Court Judge

CERTIFIED TO BE A TRUE
OF THE ORIGINAL

Dated 11/29/01



FILED
01 NOV 29 PM 2:04
CIRCUIT COURT
FOR MULTNOMAH COUNTY

IN THE CIRCUIT COURT FOR THE STATE OF OREGON
FOR THE COUNTY OF MULTNOMAH

In the matter of:

FIDELITY FIRST FINANCIAL CORP.,
A Virginia corporation, and
ANWAR KHAN;

Respondents.

No. 9312-08067

STIPULATED FINAL JUDGMENT
FOR VIOLATION OF
ASSURANCE OF VOLUNTARY
COMPLIANCE; PERMANENT
INJUNCTION; MONEY JUDGMENT

This matter came before the court upon the stipulation of the parties, HARDY MYERS, Attorney General for the State of Oregon, represented by Eugene F. Ebersole, Assistant Attorney General, [STATE] and Respondents ANWAR KHAN and FIDELITY FIRST FINANCIAL CORP., [hereafter "KHAN" and "FFFC"]. Based on the stipulation and consent endorsed herein, the parties agree to the terms as outlined in this order.

1.

KHAN and FFFC entered into an Assurance of Voluntary Compliance [AVC] with the Oregon Department of Justice [DOJ] on October 11, 1993 which was approved and filed by the court on December 15, 1993 in Multnomah County Circuit Court Case No. 9312-08067. The terms, conditions, injunctions of the AVC are incorporated into this Judgment and shall continue to be in full force and effect and binding upon KHAN and FFFC. A copy of the AVC is attached hereto as Exhibit "1" and incorporated by this reference herein.

2.

FINDING OF FACT

DOJ has alleged that KHAN and FFFC has failed to comply with one or more of

1 the conditions required by them pursuant to the terms of the AVC. In particular, that KHAN and
2 FFFC, advertised an auction in Oregon, which had the tendency to mislead consumers as to the
3 source of goods for sale and their affiliation. The parties' decision to execute this Judgment is
4 based solely on their mutual desire to enter into a voluntary and amicable resolution without any
5 admission of wrongdoing by KHAN and FFFC.

6 3.

7 **JUDGMENT**

8 The court specifically finds that there is no just reason for delay and expressly directs
9 entry of a final Judgment against KHAN and FFFC. THEREFORE, based on this stipulation,
10 before the taking of any testimony at trial, it is

11 ORDERED, ADJUDGED and DECREED:

12 State of Oregon [STATE] shall have judgment against KHAN and FFFC, as follows:

13 4.

14 **MONEY JUDGMENT**

15 Judgment shall be entered for the STATE and against KHAN and FFFC,

16 a. FOR THE CONSUMER PROTECTION AND EDUCATION REVOLVING
17 ACCOUNT established pursuant to ORS 180.095, the amount of Two Thousand Five Hundred
18 Dollars (\$2,500.00) which amount shall be paid at the time of the execution.;

19 5.

20 **REMEDIES**

21 a. Respondents KHAN and FFFC, and any present or future corporation, business or
22 other organization or entity which they own or whose acts, practices or policies are directed,
23 formulated or controlled by them or entities or in which they are a principal or own any interest
24 shall:

25 (1) Be permanently restrained and enjoined from misrepresenting the source of goods or
26

1 affiliation with any other person, association or entity for any auction or business
2 which they conduct in Oregon;

3 (2) For a period of four (4) years from the filing date of this Judgment, present to the DOJ
4 for review, at least 7 days prior to any mailing or any other form of publication
5 through any media in Oregon, all advertisements for any of their auctions or sale of
6 goods. Said mailing shall be addressed to Assistant Attorney Eugene F. Ebersole and
7 the Attorney in Charge, Consumer Protection Section

8 6.

9 All terms of this judgment shall apply to KHAN and FFFC and any present or future
10 corporation or other organization or entity whose acts, practices or policies are directed,
11 formulated or controlled by KHAN or FFFC or in which they are a principal or own any interest;
12 to KHAN and FFFC's successors and assigns, agents, representatives and employees, directly or
13 through any affiliate, corporation, subsidiary, division or other related entity.

14
15 **RESPONDENT'S SIGNATURE AND ACKNOWLEDGEMENT**

16 Respondent has read and understands this judgment and each of its terms. Respondent
17 agrees to each and every term.

18
19 FIDELITY FIRST FINANCIAL CORP.
20 By Anwar Khan
21 its _____

22 Address: 101 Suite E
23 Executive Drive
24 Sterling, VA 20166

25 There appeared before me this _____ day of _____, 2001,
26 _____, who first being duly sworn on oath, stated that he was and is the
person described above and is authorized and empowered to sign this Stipulated Final Judgment
on behalf of FIDELITY FIRST FINANCIAL CORP., and bind same to the terms hereof.

SUBSCRIBED AND SWORN to before me this _____ day of _____,
2001.

1 affiliation with any other person, association or entity for any auction or business
2 which they conduct in Oregon;

3 (2) For a period of four (4) years from the filing date of this Judgment, present to the DOJ
4 for review, at least 7 days prior to any mailing or any other form of publication
5 through any media in Oregon, all advertisements for any of their auctions or sale of
6 goods. Said mailing shall be addressed to Assistant Attorney Eugene F. Ebersole and
7 the Attorney in Charge, Consumer Protection Section
8

9 6.

10 All terms of this judgment shall apply to KHAN and FFFC and any present or future
11 corporation or other organization or entity whose acts, practices or policies are directed,
12 formulated or controlled by KHAN or FFFC or in which they are a principal or own any interest,
13 to KHAN and FFFC's successors and assigns, agents, representatives and employees, directly or
14 through any affiliate, corporation, subsidiary, division or other related entity.

15 RESPONDENT'S SIGNATURE AND ACKNOWLEDGEMENT

16 Respondent has read and understands this judgment and each of its terms. Respondent
17 agrees to each and every term.

18
19 FIDELITY FIRST FINANCIAL CORP.
20 By Anwar Khan
its
21 Address: 101 Suite E
Executive Drive
Sterling, VA 20166

22 There appeared before me this 29th day of October, 2001,
23 _____, who first being duly sworn on oath, stated that he was and is the
24 person described above and is authorized and empowered to sign this Stipulated Final Judgment
on behalf of FIDELITY FIRST FINANCIAL CORP., and bind same to the terms hereof.

25 SUBSCRIBED AND SWORN to before me this 29th day of October
26 2001.

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Mareen P. Connolly
[Notary's signature]
Affix stamp

Anwar Khan, Individually

SUBSCRIBED AND SWORN to before me this 29th day of October 2001.

Mareen P. Connolly
[Notary's signature]
Affix stamp

REVIEW BY RESPONDENT'S ATTORNEY

Approved as to form.

Emily Simon
Attorney for Khan and FFFC

ACCEPTANCE OF DOJ

Accepted this _____ day of _____, 2001.

HARDY MYERS
Attorney General

Eugene Ebersole #81475
Assistant Attorney General

MONEY JUDGMENT

The following summary is provided pursuant to ORCP 70A(2):

(a) The judgment creditor is the State of Oregon, represented by HARDY MYERS, Attorney General, by and through Eugene F. Ebersole, Assistant Attorney General,

1. EXHIBIT A

2 A. You are required to produce the following documents relating to all auctions which YOU
3 conducted in Oregon or auctions which YOU advertised in Oregon and were conducted in other
4 states from January, 2002 to present. All documents produced should be separated by date and
5 location of each auction conducted.

- 6 1. Copies of all sign-in sheets, bidder sheets, registration forms or any other documents
7 which identify all prospective buyers or persons who attended the auctions identified in
8 paragraph (A) above. This includes but is not limited to any document which contains
9 the names and bidder information of all persons who attended the auctions or purchased
10 at the auctions and documents which show the terms of sale for all items sold.
- 11 2. Copies of all buy sheets, clerking notes and any other form or document used by you to
12 identify each item sold, the winning bid price and the identify of the winning bidder for
13 all items sold or offered for sale at the auctions identified in paragraph (A) above.
- 14 3. Copies of all inventory lists of items displayed and offered by YOU for sale at the
15 auctions identified in paragraph (A) above.
- 16 4. Copies of all certificates of authenticity of all inventory and items displayed and offered
17 for sale by YOU at the auctions identified in paragraph (A) above.
- 18 5. Copies of all invoices, contracts, agreements, correspondence and any other documents
19 substantiating the purchase of all items displayed and offered by YOU for sale at the
20 auctions identified in paragraph (A) above. These include, but are not limited to all
21 documents showing date and place of purchase, from whom purchased and the cost for all
22 items.
- 23 6. Copies of all advertisements published by YOU for any auctions identified in paragraph
24 (A) above.

25 B. You are required to produce the following documents relating to all auctions which YOU
26 intend to conduct in Oregon or auctions which YOU intend to advertise in Oregon and are to be
conducted in other states in the future. All documents produced should be separated by date and
location of each auction to be conducted.

1. Copies of all documents showing inventory to be sold at auction in Oregon or advertised
in Oregon and are to be conducted in other states in the next sixty days. These include
copies of all invoices, contracts, agreements, correspondence and any other documents
substantiating the purchase of all items to be displayed and offered; and all documents
showing date and place of purchase, from whom purchased and the cost for all items.
2. Copies of all certificates of authenticity of all inventory and items to be displayed and
offered for sale by YOU at the auctions identified in paragraph (B)(1) above.

1 3. Copies of all documents which show all dates and locations at which you plan to have
2 auctions in Oregon or advertise auctions in Oregon and are to be conducted in other states
during the next twelve months.

3 4. Copies of all advertisements to be published by YOU for any auctions identified in
4 paragraph (B)(3) above.

5 C. You are requested to produce the following documents relating to all other auctions which
YOU conduct.

6 1. Copies of all advertisements published by you for any auctions which you have conducted
7 for the past year at any location in the United States.

8 2. Copies of all complaints related to your business for auctions you have conducted anywhere
9 in the United States for the last two years.

10 3. Copies of all documents which show all dates and locations at which you have held
11 auctions in the past two years.

12 4. Copies of all contracts with any real estate agent, homeowner, hotel or other owner of a
13 location at which you held auctions for the last two years.

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2.

On or about October 14, 2004, the State served a Civil Investigative Demand [CID] upon Respondents.

3.

Solely for the purpose to avoid the expense of litigating the State's claims, Respondents have agreed they shall refrain from conducting business in the State of Oregon for a period of two years, or unless otherwise agreed by the parties in writing.

4.

The parties' decision to enter into this stipulated agreement is solely a result of their mutual desire to avoid costly and prolonged litigation and enter into a voluntary and amicable settlement of a dispute. It shall not be considered as an admission or acknowledgment by Respondents of any violation or infraction of law for any purpose whatsoever. The parties further agree that no provision of this agreement constitutes, in neither form nor substance, a penalty, sanction, punishment, disciplinary action, suspension, revocation, forfeiture, infraction, finding of culpability, wrongdoing, unethical conduct, misconduct or moral turpitude, or any adverse regulatory action by the State of Oregon against Respondents under the Constitution of the United States, under the Constitution of the State of Oregon, or under any other provision of the laws of Oregon or any other jurisdiction. The parties agree this agreement may not be used in any proceeding or forum whatsoever as an admission or acknowledgment by Respondents to any violation of any law, rule, regulation, standard, or order, or evidence of a penalty, sanction, punishment, disciplinary action, suspension, revocation, forfeiture, infraction, finding of culpability, wrongdoing, unethical conduct, misconduct or moral turpitude, or any adverse regulatory action by any jurisdiction.

5.

The terms, conditions, and injunctions of the AVC and Judgment (which are hereby incorporated by reference herein) shall remain in full force and effect except as otherwise

1 modified by this agreement and, further, this agreement constitutes a full and complete settlement
2 of any and all issues, claims and demands arising or resulting from the outstanding discovery
3 and/or production requests made by the State upon Respondents for all auctions they may have
4 conducted prior to the date of this agreement.

5 6.

6 This agreement may be enforced in the manner contemplated by ORS 646.605 through
7 646.656.

8 **IT IS SO STIPULATED AND AGREED.**

9 RESPONDENTS' SIGNATURES AND ACKNOWLEDGEMENT


10 FIDELITY FIRST FINANCIAL CORP.

11 

12
13 By: _____, Officer
14 Address: 22923 Quicksilver Dr., Ste 101
Dulles VA 20166-2013

15 There appeared before me this 26th day of July, 2005, Anura M. Khan,
16 who, first being duly sworn on oath, stated that he/she was and is the person described above and
is authorized and empowered to sign this STIPULATED AGREEMENT on behalf of FIDELITY
17 FIRST FINANCIAL CORP., and bind same to the terms hereof.

18 SUBSCRIBED AND SWORN to before me this 26th day of July, 2005.

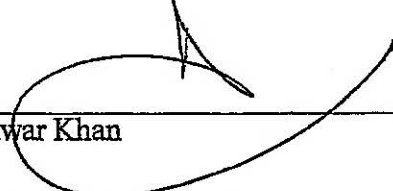
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20 [Notary's signature]
Affix stamp

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23 My commission
24 expires JAN. 31, 2006

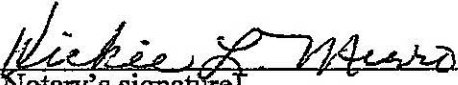
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Anwar Khan

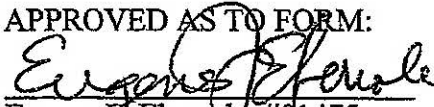
There appeared before me this 26th day of July, 2005, Anwar Khan, who, first being duly sworn on oath, signed this STIPULATED AGREEMENT.

SUBSCRIBED AND SWORN to before me this 26th day of July, 2005.



[Notary's signature]
Affix stamp

My commission
expires Jan. 31, 2006

APPROVED AS TO FORM:


Eugene Ebersole #81475
Assistant Attorney General
Of Attorneys for Plaintiff
DATE: 8/17/05