

**DEPARTMENT OF CONSUMER AFFAIRS  
CITY OF NEW YORK**

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THE DEPARTMENT OF CONSUMER AFFAIRS,

Complainant,

**CONSENT ORDER**

-against-

**Violation No.: OL5287200**

LAFNAC DIGITAL COMPUTERS, LTD.

**OL5287201**

-and-

HAIM ZARIF, as a principal,

Respondents.

- X
1. Respondents LAFNAC DIGITAL COMPUTERS, LTD. (“Lafnac”) and HAIM ZARIF (“Mr. Zarif”; together with Lafnac, “Respondents”) acknowledge that the New York City Department of Consumer Affairs (the “Department”) duly served Respondents with a Notice of Hearing dated September 9, 2011 (“NOH”) citing Respondents for violations of the New York City Administrative Code (“Code”) Section 20-101 et seq. (the “License Enforcement Law”), Code Section 20-700 et seq. (the “Consumer Protection Law”), and Title 6 of the Rules of the City of New York (“Rules”). Lafnac was served via the Secretary of State on September 13, 2011. Mr. Zarif was served by leaving a true copy with a person of suitable age and discretion at his residence on September 20, 2011 – another true copy was mailed to Mr. Zarif at his residence on September 21, 2011.
  2. Respondents consent to this final Consent Order (the “CO”) to settle the above violations.

3. Mr. Zarif, as Principal of Lafnac, represents and certifies that he is duly authorized to settle this violation and to enter into this CO with the Department on behalf of Lafnac.
4. For the purposes of this CO, "Lafnac" shall mean both the incorporated company, as well as the storefront located at 5 West 42nd Street, New York, New York 10036-3662, and any other retail or commercial locations operated by the incorporated company.
5. This CO does not constitute evidence or an admission regarding the existence or non-existence of any issue, fact or violation of any Rule or Law alleged by the Department. Respondents expressly deny that they have violated the License Enforcement Law, the Consumer Protection Law and/or the Rules.

#### I. INJUNCTIVE RELIEF

6. Mr. Zarif, as principal of Lafnac, represents that the Lafnac storefront located at 5 West 42nd Street, New York, New York 10036-3662 is out of business and will remain out of business for all time. Mr. Zarif further represents that Lafnac has no other retail or commercial locations and will not open any retail or commercial locations in the future. Mr. Zarif represents that he shall take the steps necessary to dissolve the corporation.
7. Mr. Zarif shall never apply for or hold a New York City electronics store license.
8. Upon execution and thereafter, Mr. Zarif shall not own 10% or more of a company or other entity that applies for or holds an electronics store license issued by New York City. To the extent Mr. Zarif has any ownership interest in

an electronics store, he shall disclose that interest within two (2) days of execution of this CO and describe the steps and timing for relinquishing that interest.

9. Mr. Zarif may make a request to the Department that the ban on holding an electronics store license or having an ownership interest in an electronics store be lifted at some future date subject to the Department's complete discretion.
10. Respondents agree that in the event the Department requests information in connection with this matter, Respondents shall use their best efforts to address any such inquiries. In the event of a breach of this provision, the Department may bring a proceeding before the Tribunal or an action in state court.
11. Respondents shall comply with this CO, as well as all applicable laws and regulations, including the License Enforcement Law, and the Consumer Protection Law and the Rules. Respondents acknowledge that all of the applicable laws and regulations are not fully detailed in this CO.

## II. FINES AND OTHER PENALTIES

12. Upon execution, Respondents shall provide to the Department, a bank check, certified check, or money order in the amount of \$48,900 made payable to the New York City Department of Consumer Affairs, and delivered to the New York City Department of Consumer Affairs, Legal Division, Research and Investigations Unit, Attn: Jennifer A. Huber, Esq., 42 Broadway, 9th Floor, New York, New York 10004.
13. Respondent acknowledges that any breach of this CO by Respondents or their agents shall, upon issuance of a new violation and hearing thereon: (i) be assessed at the maximum penalties allowed by law; (ii) be deemed a separate,

knowing violation of the Consumer Protection Law subject to the maximum penalties defined therein; and (iii) require payment by Respondents of all costs and expenses associated with the Department's investigation and prosecution of the new violation.

### III. WAIVER OF APPEAL

14. Respondent agrees to waive any further right to a hearing or appeal on the above-referenced citation under Section 20-104 of the Code or under Article 78 of the New York State Civil Practice Law and Rules, Sections 7801-7806.

### IV. MISCELLANEOUS

15. Nothing in this CO shall be construed to limit in any way the authority of the Department to exercise its enforcement powers under Chapter 1, Title 20 or under Chapter 2, Title 20 of the Code.
16. The acceptance of this CO by the Department shall not be deemed approval by the Department of any of Respondents' business practices, and Respondents shall make no representations to the contrary.
17. Nothing in this CO shall be construed to limit in any way the right of individual consumers to bring a civil action for relief.
18. The Department releases Respondents from all charges of violations of the Code, the License Enforcement Law, the Consumer Protection Law, and the Rules detailed in Violations OL5287200 and OL5287201. The Department further releases Mr. Zarif from all violations of the Code, the License Enforcement Law, the Consumer Protection Law, and the Rules arising from the business operations

of Lafnac at the storefront located at 5 West 42nd Street, New York, NY through the date of this CO.

19. By executing this CO, the Department agrees to discontinue its proceeding pending in the New York State Supreme Court under Index Number 402280/2011 to enforce compliance with the Department's outstanding subpoena dated June 28, 2011, and to withdraw that subpoena.
20. This matter will be considered settled upon execution of this CO and payment of the settlement sum as set forth above.

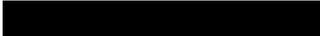
Agreed for Respondent Lafnac Digital Computers, Ltd. by:

HAIM ZARIF  
President

  
Signature

Date: JAN 13 / 12

Accepted for Jonathan Mintz,  
Commissioner of Consumer Affairs  
for the City of New York by:

  
Research and Investigation Unit

  
Signature

Date: 1/3/12

Agreed to individually by:

HAIM ZARIF

  
Signature

Date: JAN 13 / 12