

DOCKET NO.:

STATE OF CONNECTICUT,  
*Plaintiff*

v.

PRECIOUS CARGO DAYCARE  
& LEARNING CENTER,  
*Defendants*

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SUPERIOR COURT  
  
JUDICIAL DISTRICT  
OF HARTFORD  
AT HARTFORD  
  
MARCH 20, 2013

**STIPULATION TO JUDGMENT**

It is stipulated between, the State of Connecticut, and the Defendants, Precious Cargo Daycare and Learning Center, CC Wallingford LLC, Jacqueline DiFusco, John Giuliano, Jake Giuliano, and Kristine DeCarlo, that a Final Judgment on Stipulation may enter in the form herein set forth, attached hereto, and made part hereof, upon motion of any party, without notice, provided that this Stipulation has been executed by all parties listed below.

PLAINTIFF  
STATE OF CONNECTICUT

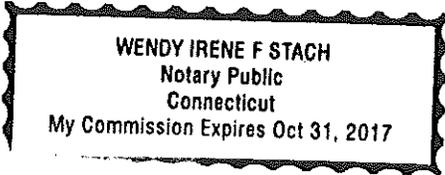
DEPARTMENT OF REVENUE SERVICES  
OF THE STATE OF CONNECTICUT

GEORGE C. JEPSEN  
ATTORNEY GENERAL

Date: March 20, 2013

By: 

Thomas J. Saadi  
Assistant Attorney General  
Juris No. 418062  
110 Sherman Street  
Hartford, CT 06105  
Tel: (860) 808-5400



DEFENDANTS

PRECIOUS CARGO DAYCARE & LEARNING CENTER

Date: 3/17/13

By: J DiFusco  
Jacqueline DiFusco  
Owner & Director

CC WALLINGFORD LLC

Date: 3/17/13

By: Kristine DeCarlo  
Kristine DeCarlo  
President

JACQUILINE DIFUSCO (Individually)

Date: 3/17/13

Sign: J DiFusco  
Print: Jacqueline DiFusco

JOHN GIULIANO (Individually)

Date: 3/17/13

Sign: John Giuliano  
Print: JOHN GIULIANO

JAKE GIULIANO (Individually)

Date: 3-17-13

Sign: [Signature]  
Print: Jake Giuliano

KRISTINE DECARLO (Individually)

Date: 3/17/13

Sign: Kristine DeCarlo  
Print: Kristine DeCarlo

State of Connecticut County of New Haven County ss. (Wallingford)  
On March 17, 2013 before me the above individuals, Jacqueline DiFusco, Kristine DeCarlo, John Giuliano and Jake Giuliano personally appeared and presented bonifide identification proving them to be the persons whose names are subscribed to this instrument and acknowledged execution of the same.

In witness whereof I hereunto set my hand.

[Signature]  
Signature of Notary Public



1.3 This Stipulated Judgment resolves all concerns of the State of Connecticut, the Office of the Attorney General and the Department of Revenue Services which have arisen prior to the date of this Stipulated Judgment with respect to the application of the Connecticut Unfair Trade Practices Act, and chapters 229 and 558 of the Connecticut General Statutes to the Covered Conduct as defined herein as against the Defendants.

1.4 Now, therefore, before any testimony has been taken, without trial and without this Stipulated Judgment constituting an admission or finding of liability or wrongdoing on the part of the Defendant and upon consent of the parties hereto, it is hereby ORDERED, ADJUDGED AND DECREED as follows:

## **II. JURISDICTION**

2.1 The Court has jurisdiction over the subject matter of this action and of the parties hereto, pursuant to § 42-110m of the Connecticut General Statutes.

## **III. APPLICABILITY**

3.1 This stipulated judgment shall apply to and bind the Defendants from participating directly or indirectly in any acts in contravention of the terms and injunctive provisions of this Stipulated Judgment.

#### IV. NO ENDORSEMENTS

4.1 Under no circumstances shall this Stipulated Judgment or the name of the State of Connecticut, the Office of the Attorney General, or any of its employees or representatives be used by the Defendants, or their officers, agents, servants, employees, successors, assigns, attorneys or other persons and/or entities acting in concert or participation with the Defendants, in connection with any selling, advertising, or promotion of products or services, or as an actual or implied endorsement or approval of the Defendants' acts, practices, or methods of conducting business.

#### V. DEFINITIONS

IT IS ORDERED, ADJUDGED AND DECREED THAT: the following definitions shall be used in construing this Stipulated Judgment:

5.1 The "State" means the Department of Consumer Protection, the Office of the Attorney General of the State of Connecticut and the Department of Revenue Services of the State of Connecticut.

5.2 "Daycare facility" shall have the same meaning as set forth in C.G.S. §19a-77 et seq.

5.3 'Covered Conduct' shall mean participation in any aspect of the ownership, management, operation, marketing and/or financing for or on behalf

of Precious Cargo Daycare and Learning Center, Inc., CC Wallingford LLC or any subsidiaries thereof between January 1, 2010 through and including June 30, 2012.

#### **VI. INJUNCTIVE RELIEF**

IT IS ORDERED, ADJUDGED AND DECREED THAT:

6.1 The Defendants are enjoined from:

(a) Owning, operating or participating in any management or marketing position at any Daycare facility in Connecticut for a period of five years from the date of approval by the Court of this Stipulated Judgment.

(b) Owning or operating a business where the Defendants' names do not appear in the trade name or d/b/a/ name of said business for a period of five years from the date of approval by the Court of this Stipulated Judgment.

#### **VII. MONETARY PAYMENTS**

IT IS FURTHER ORDERED, ADJUDGED AND DECREED THAT:

7.1 The Defendants shall be joint and severally liable to the State of Connecticut in the amount of Fifty-five Thousand Dollars (\$55,000.00) for consumer restitution with payment of said restitution made as follows:

(a) Twenty-thousand Dollars (\$20,000.00) shall be paid from the proceeds of a commercial real-estate closing on the purchase of CC Wallingford LLC by Educational Playcare LTD. Said payment shall be made by cashier's check or drawn from a Connecticut admitted attorney's trustee account and made payable to the "Treasurer, State of Connecticut," and shall be delivered to the Attorney General's Office, Consumer Protection Department, 110 Sherman Street, Hartford, Connecticut, 06105, Attn: Thomas J. Saadi, Assistant Attorney General. The amount shall be paid not later than the date of filing of this Stipulated Judgment.

(b) In addition, ten thousand Dollars (\$10,000.00) shall be paid by the Defendants not later than the date of filing of this Stipulated Judgment. Said payment shall be made by cashier's check, money order or drawn from a Connecticut admitted attorney's trustee account and made payable to the "Treasurer, State of Connecticut," and shall be delivered to the Attorney General's Office, Consumer Protection Department, 110 Sherman Street, Hartford, Connecticut, 06105, Attn: Thomas J. Saadi, Assistant Attorney General.

(c) In addition to the above, twenty-five thousand Dollars (\$25,000.00) shall be paid in payments over two years by the Defendants from the proceeds of a promissory note to be issued to the Defendants by Educational Playcare LTD in

conjunction with the commercial real-estate closing on the purchase of CC Wallingford LLC by Educational Playcare LTD. (Attached hereto as appendix A)

Said payments shall be made in monthly installments of not less than One thousand forty-one dollars and 66/100 (\$1,041.66). Said proceeds shall be paid by Educational Playcare LTD to Attorney Richard Marquette as trustee who shall then make payment to the State of Connecticut by cashier's check, money order or trustee check drawn from attorney Marquette's trustee account and made payable to the "Treasurer, State of Connecticut," and shall be delivered to the Attorney General's Office, Consumer Protection Department, 110 Sherman Street, Hartford, Connecticut, 06105, Attn: Thomas J. Saadi, Assistant Attorney General. The initial payment of One thousand forty-one dollars and 66/100 (\$1,041.66) shall be due not later than 30 days after filing of this Stipulated Judgment.

#### **VIII. TAX PAYMENT REDUCTION**

IT IS FURTHER ORDERED, ADJUDGED AND DECREED THAT:

8.1 The Department of Revenue Services shall reduce the claimed wage withholding tax liability of Precious Cargo Daycare and Learning Center, Inc. and CC Wallingford LLC's resulting from the Covered Conduct from the amount of \$201,834 to \$159,818.

8.2 The amount of \$159,818 shall be paid in full from the proceeds of a commercial real-estate closing on the purchase of CC Wallingford LLC by Educational Playcare LTD. Said

payment shall be made by cashier's check or drawn from a Connecticut admitted attorney's trustee account and made payable to "Commissioner of Revenue Services", and shall be delivered to the Department of Revenue Services, 25 Sigourney Street, Hartford, Connecticut 06106, Attn: Ronald Dirienzo, 16th Floor. The amount shall be paid not later than the date of filing of this Stipulated Judgment.

**IX. CIVIL PENALTY AND COSTS**

IT IS FURTHER ORDERED, ADJUDGED AND DECREED THAT:

9.1 The Office of the Attorney General agrees to forebear from seeking or recovering any civil penalties, costs or fees from the Defendants which the State may have otherwise lawfully sought beyond those restitution and tax payments as set forth in section VI and VII hereinabove.

**X. RELEASE**

IT IS FURTHER ORDERED, ADJUDGED AND DECREED THAT:

10.1 By its execution of this Judgment, the State of Connecticut releases and forever discharges, to the fullest extent permitted by law, the Defendants from the following: all civil claims, causes of action, damages, restitution, fines, costs, attorneys fees, and penalties that the Connecticut Attorney General could have asserted against the individual Defendants, the two named business Defendants, Precious Cargo Daycare & Learning Center and CC Wallingford LLC and their officers, shareholders or employees under the Connecticut Unfair Trade Practices Act and related consumer protection statutes, successor statutes, or common law claims concerning unfair, deceptive or fraudulent trade practices impacting consumers that the Office of

the Attorney General has the authority to release resulting from the Covered Conduct up to and including the Effective Date that is the subject of this Stipulated Judgment.

10.2 Further, the State of Connecticut Department of Revenue Services releases and forever discharges, to the fullest extent permitted by law, the Defendants from the following: all civil or criminal claims, causes of action, damages, restitution, fines, costs, attorneys fees, and penalties that the Connecticut Department of Revenue Services could have asserted against the individual Defendants, the two named business Defendants, Precious Cargo Daycare & Learning Center and CC Wallingford LLC and their officers, shareholders or employees of said business under Connecticut General Statutes chapter 229 and related statutes or successor statutes resulting from the Covered Conduct up to and including the Effective Date that is the subject of this Stipulated Judgment.

10.3 Notwithstanding any term of this Judgment, specifically reserved and excluded from the Release in Paragraphs 10.1 and 10.2 as to any entity or person, including Defendants is any civil or criminal liability not specifically released herein that any person and/or entity, including Released Parties, has or may have to the State of Connecticut.

## **XI. ENFORCEMENT**

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED THAT:**

11.1. At any time upon proper notice, any party to this Stipulated Judgment may apply to this Court, which shall retain jurisdiction, for such further orders as may be necessary or appropriate for the construction of any of the provisions of this Stipulated Judgment, or the enforcement or compliance with this Consent Judgment, and for the punishment of violations of this Stipulated Judgment.

11.2. The Defendant shall not participate, directly or indirectly, in any activity to form a separate entity or corporation for the purpose of engaging in acts prohibited in this Stipulated Judgment.

## **XII. GENERAL PROVISIONS**

IT IS FURTHER ORDERED, ADJUDGED AND DECREED THAT:

12.1. The specific injunctive provisions contained in this Judgment shall not be construed to limit the State's authority to enforce any statute or regulation against the Defendant.

12.2. The Defendants shall submit to the jurisdiction of the courts of the State of Connecticut and laws of the State of Connecticut for the purposes of any action taken to enforce this Stipulated Judgment, including any action seeking sanctions for violations of same.

12.4. Nothing in this Stipulated Judgment shall be construed to prohibit the Defendant from engaging in business in the State of Connecticut in accordance with the terms of this Stipulated Judgment and all applicable laws and regulations of the State.

12.5. In the event of any default by the Defendants in any obligation under this Judgment, the Plaintiff shall provide the Defendants with written notice via certified mail at each Defendant's mailing address as follows: 1 Ortense Drive, Wallingford, CT 06492<sup>1</sup> (or such other address as the Defendants may designate in writing to the Plaintiff at the address specified herein), with a copy to counsel, Attorney Richard Marquette c/o Goldblatt, Marquette & Rashba, 60 Washington Avenue, Suite 302 Hamden, CT 06518. The Defendants shall have fourteen (14) calendar days from receipt of such notice to cure such default, and if the Defendants do so fully cure such default the Plaintiff shall take no further action to enforce this Judgment with respect to said cured default.

12.6. The defendant agrees that the monetary payments and obligations of the Defendants as set forth in sections "VII" and "VIII" herein are not subject to discharge pursuant to the Federal Bankruptcy Code.

12.7. If any portion of this Stipulated Judgment is held invalid by operation of law, the remaining terms of this Stipulated Judgment shall not be affected.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2013

\_\_\_\_\_  
Judge

<sup>1</sup> Notice to the Defendant John Giuliano shall be mailed to 173 Monticello Drive, Branford, CT 06405.

**APPENDIX A**

## Commercial Note

March 19, 2013

Hartford, Connecticut

### **BORROWER'S PROMISE TO PAY**

**FOR VALUE RECEIVED**, the undersigned (the "Borrower"), and if more than one, each of them jointly and severally, promise to pay to the order of **Richard C. Marquette, Esq., as Trustee for Precious Cargo Daycare & Learning Center, CC Wallingford LLC, Jacqueline DiFusco, Jake Giuliano, Kristine DeCarlo and John Giuliano** (the "Lender"), at Goldblatt, Marquette & Rashba, P.C., 60 Washington Avenue, Suite 302, Hamden, Connecticut 06518 or at such other location as the Lender may specify in writing, the principal sum of **Twenty-Five Thousand and 00/100 (\$25,000.00) Dollars**.

Borrower and if more than one, each of them jointly and severally, further promises to pay, on demand, in addition to said principal and any and all costs and expenses, including without limitation reasonable attorney's fees incurred in collection of this Note or in foreclosing any security interest securing the same or in sustaining the lien or priority of any such security interest, expressly including those incurred to obtain relief from stay to foreclose any security interest in any proceeding under the Federal Bankruptcy Code involving any maker of this Note or any person or entity obligated, directly or indirectly, on the debt evidenced hereby and for participation by the holder of this Note in any proceeding under said Bankruptcy Code involving any Borrower or any other such person or entity.

TERM: The maturity date for this loan shall be two years, March 31, 2015.

REPAYMENT OF PRINCIPAL: To the extent not sooner repaid the entire principal balance shall be due and payable March 31, 2015, together with any costs and/or attorney's fees owed to Lender pursuant to the Loan closing documents.

PAYMENT OF PRINCIPAL: Principal shall be paid in equal monthly payments in the amount of **\$1,041.66** for twenty-four months commencing **May 1, 2013**.

INTEREST RATE: This Note shall not accrue any interest.

LATE CHARGE: This Note will provide for a late charge equal to five percent (5.00%) of any payment of principal required to be made pursuant to the Note which payment is not received by the Lender within five (5) calendar days after its payment due date.

Any payment by a non-cash item will be accepted conditionally as paid when received subject to reversal if not collected by the Lender within four (4) business days, in which event it will be deemed unpaid.

BORROWER'S RIGHT TO PREPAY: Borrower shall have the right to make payments of principal at any time before they are due. A payment of principal only is known as a "prepayment". When Borrower makes a prepayment, Borrower will tell the Lender in writing that he is doing so.

Borrower may make a full prepayment or partial prepayments without paying any prepayment charge. The Bank will use all of Borrower's prepayments to reduce the amount of principal that Borrower owes under this Note. If Borrower makes a partial prepayment, there will be no changes in the due dates of Borrower's monthly payments unless the Bank agrees in writing to those changes.

DEFAULT: At the option of the Lender, this Note and all obligations of the Borrower to the Lender shall become immediately due and payable without notice or demand upon the occurrence of any of the following events of default:

- (a) Failure of Borrower to make any payment hereunder when due.
- (b) Default by Borrower of any obligation contained in any other of the loan documents or security instrument given to secure amounts due hereunder.
- (c) The occurrence of an event of default under any non-payment obligation of Borrower to the holder of this Note.
- (d) The occurrence of an event of default by any guarantor hereof under (i) the instrument evidencing the guaranty by such guarantor; (ii) under any security instrument given to the note holder to secure obligations under such guaranty or (iii) under any other guaranty agreement issued with respect to another loan transaction with lender (i.e. cross default).
- (e) Dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any of the property of, assignment for the benefit of creditors by or the commencement of any proceedings under any Bankruptcy or insolvency laws by or against Borrower or any guarantor hereof.
- (f) A material adverse change occurs in the Borrower's financial condition or Lender believes the prospect of payment or performance of the loan is impaired.
- (g) Lender in good faith believes itself insecure.

WAIVERS: Borrower and each of them waives presentment for payment, demand, notice of dishonor, protest, and notice of protest and all other demands and notices to parties in connection with the delivery, acceptance, performance, default or enforcement of this Note.

OBLIGATIONS OF PERSONS UNDER THIS NOTE: Every maker, endorser and guarantor of this Note, and all others who may become liable for the payment of all

or any part of the obligations evidenced by this Note, hereby waive demand, presentment, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Note, consent to any number of renewals or extensions of the time of payment hereof and to any number of modifications of the terms of this Note, the Loan Agreement, or any other Loan Document and agree that any such modifications, renewals or extensions may be made without notice to any of said parties and without affecting their liability hereon, and consent to the substitution, exchange or release of any part or all of the security for the payment hereof and to the addition or release of any other party or person primarily or secondarily liable hereon.

Notwithstanding any provision of this paragraph to the contrary, the Lender may not re-advance principal as part of any modification renewal or extension of this Note.

Each Borrower grants to the Lender, upon any event of default, a lien and right of set-off for all of Borrowers liabilities hereunder, upon and against all of Borrower's deposits (general or special), credits, securities, and other property now or, hereafter in the possession or control of the Lender or in transit to it, including the proceeds thereof. The Lender may at any time apply the same or any part thereof to any of the Borrower's liabilities hereunder whether or not matured at the time of such application.

Each Borrower agrees that amounts due hereunder shall be secured by any security interest, pledge or assignment previously granted to Lender by him where the terms of the instrument granting such security interest, pledge or assignment contemplate that future obligations of such Borrower to Lender shall be secured thereby.

**THE BORROWER AND/OR GUARANTOR ACKNOWLEDGE THAT THIS TRANSACTION IS A "COMMERCIAL TRANSACTION" AS SUCH IS DEFINED IN CHAPTER 903a OF THE CONNECTICUT GENERAL STATUTES AS AMENDED, AND HEREBY WAIVES ANY AND ALL RIGHTS THAT THE BORROWER AND/OR GUARANTOR MAY HAVE UNDER SECTION 52-278 (a) THROUGH 52-278(g) OF THE CONNECTICUT GENERAL STATUTES, AS AMENDED, INTENDING THEREBY THAT IN THE EVENT OF ANY LEGAL ACTION BETWEEN THE BORROWER AND/OR GUARANTOR AND THE LENDER OR HOLDER ARISING OUT OF THIS NOTE OR THE MORTGAGE GIVEN AS SECURITY FOR THIS NOTE, THE LENDER OR HOLDER MAY INVOKE ANY PREJUDGMENT REMEDY, INCLUDING BUT NOT BEING LIMITED TO, GARNISHMENT, ATTACHMENT, FOREIGN ATTACHMENT AND REPLEVIN, WITHOUT GIVING THE BORROWER AND/OR GUARANTOR ANY NOTICE OR OPPORTUNITY FOR A HEARING OR OBTAINING A COURT ORDER. THIS WAIVER IS MADE BY THE BORROWER AND/OR GUARANTOR ON BEHALF OF THE BORROWER AND/OR GUARANTOR AND THE BORROWER'S AND/OR GUARANTOR'S SUCCESSORS, HEIRS AND ASSIGNS AND SHALL APPLY TO ANY AND ALL ACTIONS AGAINST SUCH SUCCESSORS, HEIRS AND ASSIGNS.**

**JURY WAIVER. THE BORROWER HEREBY WAIVES TRIAL BY JURY IN ANY COURT AND IN ANY SUIT, ACTION OR PROCEEDING ON ANY MATTER ARISING IN CONNECTION WITH OR IN ANY WAY RELATED TO THE FINANCING TRANSACTIONS OF WHICH THIS NOTE IS A PART AND/OR THE ENFORCEMENT OF ANY OF YOUR RIGHTS AND REMEDIES, INCLUDING WITHOUT LIMITATION, TORT CLAIMS. THE BORROWER ACKNOWLEDGES THAT BORROWER MAKES THIS WAIVER KNOWINGLY AND VOLUNTARILY, WITHOUT DURESS AND ONLY AFTER EXTENSIVE CONSIDERATION OF THE RAMIFICATIONS OF THIS WAIVER. THE BORROWER FURTHER ACKNOWLEDGES THAT THE LENDER HAS NOT AGREED WITH OR REPRESENTED TO BORROWER OR ANY OTHER PARTY HERETO THAT THE PROVISIONS OF THIS PARAGRAPH WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.**

No delay or omission by the Lender in exercising any right hereunder shall operate as a waiver of such right or any other right; and a waiver on one occasion shall not be a bar to or waiver of any right on any other occasion.

This Note may be assigned at any time by Lender, and any subsequent holder hereof, without prior notice to or consent from Borrower.

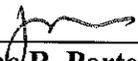
This Note shall bind the heirs, executors, administrators, successors and assigns of the Borrower and each of them and shall inure to the benefit of the Lender, its successors and assigns. This Note shall be governed by and construed in accordance with the laws of the State of Connecticut.

The term BORROWER as used herein shall mean Borrower and/or each guarantor, jointly and severally.

Dated: March 19, 2013.

**Educational Play Care, LTD.**

  
\_\_\_\_\_  
By:  
Its duly authorized Secretary

  
\_\_\_\_\_  
Jane R. Porterfield

  
\_\_\_\_\_  
Gerald H. Pastor