

At IAS Part 40 of the Supreme Court of the State of New York, held in and for the County of Queens, ~~at the Courthouse located at 88 11 Sutphin Boulevard, Jamaica, NY~~ on the 10th day of November, 2020.

**Present:** Hon. Richard G. Latin  
Supreme Court Justice

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

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

**CONSENT ORDER  
AND JUDGMENT**

Petitioner,

INDEX NO.: 2020/718092

-against-

IAS PART: 40

Star Auto Sales of Bayside, Inc. d/b/a/ Star  
Toyota of Bayside,

ASSIGNED  
TO JUSTICE: Hon. Richard G. Latin

Respondent.

**UPON** the Verified Petition (the “Petition”) dated October 7, 2020 and the Consent and Stipulation, in which the parties consent to the entry of this Consent Order and Judgment (“Consent Order”) and waive notice of entry thereof,

**IT NOW APPEARS** that Star Toyota of Bayside, Inc. d/b/a Star Toyota of Bayside is willing to enter into this Consent Order without admitting or denying any of the allegations contained in the Petition.

**NOW**, on motion of Attorney General for the State of New York, (“NYAG”) attorney for petitioner herein (Matthew S. Eubank, Assistant Attorney General, Of

Counsel) and upon consent of respondent and their attorney, Stevan Labonte Esq. of the Labonte Law Group, PLLC., it is hereby:

### **PARTIES SUBJECT TO JUDGMENT**

1. **ORDERED, ADJUDGED, AND DECREED** that this Consent Order shall extend to Star Toyota of Bayside, Inc. d/b/a Star Toyota of Bayside, and their principals, directors, officers, shareholders, employees, successors, and assignees and agents acting in concert or in participation with it; and to any corporation, company, business entity, or other entity or device through which they may now or hereafter act or conduct business at this dealership (hereinafter cumulatively referred to as “Respondent”); and it is further

### **DEFINITIONS**

2. For the purposes of this Consent Order, these terms shall have the following meanings:

(a) An “Aftermarket Item” is any product, service, or policy for which the consumers is paying over and above the amount the consumer is paying to purchase or lease the vehicle. These Aftermarket Items include but are not limited to extended warranty arrangements, service contracts, and gap insurance policies related to etching the vehicle identification numbers in the glass of the car;

(b) “Clearly and Conspicuously” shall mean that the statement, representation, or term is presented to be readily apparent and understood by the person to whom it is being addressed. Relevant factors for this purpose include, but are not limited to language, font type, size, length, and color contrast;

(c) “Related Documents” include:

(i) any document that the consumer signs, excluding forms provided by New York State (such as MV-50 forms or other state-produced documents;

(ii) any documents containing the Respondent’s policy on refunds, cancellations, or exchanges;

(iii) any document containing terms and conditions of the agreement;

(iv) any document containing guarantees or warranties given by the Respondent; and

(v) any document excluding or modifying express or implied warranties;

(d) “Sales Staff” means all sales representatives, finance or business managers, sales managers, and any other employees directly involved in selling or leasing vehicles to consumers; and it is further

### **INJUNCTIVE RELIEF**

3. **ORDERED, ADJUDGED, AND DECREED** that Respondent is permanently enjoined from engaging in the deceptive, fraudulent, or illegal business acts or practices alleged in the Petition in violation of Executive Law § 63(12) and General Business Law (“GBL”) § 349, including but not limited to the following:

(a) misrepresenting sales prices or any other sales or lending terms to any non-English speaking consumer during sale or financing discussions, or misrepresenting terms contained on the sale, lease, or financing contracts;

(b) selling or offering for sale, or providing to any consumer, any Aftermarket Items unless prior to sale or lease Respondent discloses, Clearly and Conspicuously, both orally and in writing, a fair description of the

Aftermarket Item, the full price to be paid by the consumer for each product or service;

(c) representing directly or by implication during a sale or lease that any Aftermarket Item is free, including such language as “included” or “comes with the car,” or by describing the Aftermarket Item without stating any price for the product, service, or policy;

(d) charging any consumer for an Aftermarket Item without the consumer’s express consent or after the consumer has refused to purchase the product, service, or policy;

(e) selling any Aftermarket Item to any consumer based on any misrepresentation about the item, product, or service including the scope of coverage of the item;

(f) selling any Aftermarket Item to consumer based on any misrepresentation that the item is required by the dealership, the lender, or any other entity in order to complete the transaction, to obtain financing, to obtain a particular financing rate, or to be allowed to purchase or lease a vehicle at an advertised price;

(g) threatening to retain consumers payments if they do not agree to purchase unwanted Aftermarket Items;

(h) failing to provide any consumer with a copy of the consumer’s sale or lease contract at the conclusion of any transaction;

(i) producing sale or lending contracts that include unexplained costs or include any Aftermarket Items without the price for each product of service Clearly and Conspicuously listed immediately adjacent to each item;

(j) allowing consumers to sign sales or lending contracts without all of the relevant terms filled in;

(k) refusing to accept cash or upfront payments for vehicle purchase by requiring that any consumer accept financing when such a requirement is not actually part of terms of a manufacture's sale or conspicuously disclosed in an advertisement;

(l) misrepresenting the financing terms, including the length or the interest rate of the loan;

(m) promising to refinance any consumer's vehicle loans in the future, and/or promising to refinance any consumer's loan at better rate or with specific terms in the future;

(n) misrepresenting the amount being given as trade-in allowances on consumer vehicles or including portions of previous loans in new consumer loans without the consumers understanding and consent; and

(o) misrepresenting any consumer's personal financial information on a credit application; and it is further

4. **ORDERED, ADJUDGED, AND DECREED** that Respondent shall provide to non-English speaking consumers translations of all the Related Document for any new or used, lease or sale vehicle transactions in the language in which the sale was negotiated. Respondent shall provide these Translated Documents to the non-English speaking consumer before the consumer signs the corresponding documents in English, and:

(a) Respondent shall produce these Translated Documents and implement their use in all vehicle transactions negotiated in a foreign

language by no later than ninety days after the entry of this Consent Order (the "Translation Implementation Period").

(b) Upon written notice to the NYAG before the expiration of the Translation Implementation Period and demonstrating good cause, Respondent may twice request that the NYAG extend the Translation Implementation Period to allow Respondent to resolve any outstanding issues with respect to their ability to produce and provide to consumers the Translated Documents, including issues with any third-party finance or leasing companies. Assuming Respondent has provided good cause, the NYAG will extend the Translation Implementation Period based on these requests for as many as two additional periods of sixty days each;

(c) The Translated Documents shall be an aid to the consumer and not the operative contracts or documents and they contain appropriate disclosures to that effect; and

(d) The Translated Documents may be in any form, so long as the organization, number and identification of sections, paragraphs, and line items enable the reader of the translated version reasonably to ascertain which numbers and other deal specific entries are applicable to which sections, paragraphs, and line items of the operative contracts and documents; and it is further

5. **ORDERED, ADJUDGED, AND DECREED** that Respondent shall modify its training programs and training materials as necessary to incorporate any prohibitions and requirements included in this Consent Order; and it is further

6. **ORDERED, ADJUDGED, AND DECREED** that Respondent, within thirty days of the entry of this Consent Order with the Clerk of this Court, shall provide training to all Sales Staff concerning the terms of this Consent Order including:

(a) the specific business practices and conduct prohibited under this Consent Order, including deceptive or misleading business practices, signage of blank contracts, prohibition of cash tips, and submitting false or inaccurate financing applications;

(b) an express warning that deceptive or misleading business practices will not be tolerated by Respondent's management;

(c) a description of the remedial steps that will be taken against Sales Staff who violates any term of this Consent Order or otherwise engages in improper sales practices;

(d) an express warning that deceptive business practices may carry legal consequences for Sales Staff, including civil and criminal liability; and

(e) a description of the enhanced procedures Respondent has implemented to detect deceptive or misleading sales practices, including those policies and procedures set forth in paragraphs 8 to 15 below; and it is further

7. **ORDERED, ADJUDGED, AND DECREED** that Respondent shall obtain and maintain a written form for each Sales Staff member acknowledging by signature that he or she has received and understood the information provided in the above-referenced training; and it is further;

8. **ORDERED, ADJUDGED, AND DECREED** that Respondent shall adopt and implement policies and procedures sufficient to ensure that Sales Staff comply

with the terms of this Consent Order. These policies and procedures shall include but are not limited to conducting periodic telephone consumer satisfaction surveys of at least ten recent vehicles purchasers per month. Respondent shall conduct these surveys monthly, until January 1, 2023, and shall design the survey to evaluate the sales practices of the Sales Staff, particularly evaluating sales practices related to the sale of Aftermarket Items, promises during transactions to refinance consumers' loans in the future, and the accuracy of the information submitted to lenders. Respondent shall not allow the Sales Staff to coach or guide the consumers regarding their answers to the consumer satisfaction surveys; and it is further

9. **ORDERED, ADJUDGED, AND DECREED** that Respondent shall establish and notify all its employees in writing that all consumer complaints, whether submitted in writing or made orally, which allege deceptive sales or lending practices, must be directed to the General Manager, or in his or her absence a management level employee designee. For each such complaint, Respondent shall create a record of the complaint and retain such records for no less than three years. Each such record shall include:

- (a) the name and title of the manager reviewing the complaint;
- (b) the nature of such complaint and the remedy requested;
- (c) the name and address of the complainant;
- (d) the date the complaint was submitted and the transaction date;
- (e) the name(s) of the Sales Staff involved in the transaction;
- (f) the steps taken to investigate the complaint;
- (g) Respondent's conclusions after conducting its investigation;
- (h) any corrective action offered to the complainant; and



(i) remedial action for the Sales Staff involved; and it is further

10. **ORDERED, ADJUDGED, AND DECREED** that Respondent shall conduct a prompt and thorough investigation of all customer complaints concerning Sales Staff. After completing its investigation, Respondent shall respond to the consumer's complaint in writing; and it if further

11. **ORDERED, ADJUDGED, AND DECREED** that in the event that Respondent determines that a Sales Staff member has violated any term of this Consent Order or otherwise engaged in deceptive or misleading sales practices, Respondent shall take prompt and appropriate remedial actions; and it is further

12. **ORDERED, ADJUDGED, AND DECREED** that in the event Respondent determines a Sales Staff member has violated any term of this Consent Order or has otherwise engaged in improper sales practices, Respondent shall conduct an investigation into whether other customers whose sales involved that Sales Staff member were subject to sales practices that violated the terms of this Consent Order, and shall document all steps taken during such investigation. Such investigation shall include, but not be limited to:

(a) an in-person interview with the Sales Staff member

(b) a phone survey of all consumers whose transactions were conducted in-part by that Sales Staff member during the three months prior to the alleged improper sales practice;

(c) a review of the deal jackets for all consumers whose transactions were conducted wholly or in-part by that Sales Staff member during the three months prior to the alleged improper sales practice; and

(d) a search to determine if there were prior complaints against the Sales Staff member; and it is further

13. **ORDERED, ADJUDGED, AND DECREED** that in the event that Respondent determines that a Sales Staff member has violated any term of this Consent Order or has otherwise engaged in improper sales practices that resulted in the economic harm a customer, Respondent shall offer that customer full compensation for any economic harm that resulted directly from such conduct. This compensation may include, among other things, a full refund all Aftermarket Items without regard to the installation of such items, monetary compensation equivalent to the amount of savings a consumer could have recognized based on a promise to refinance in the future, or rescission of the transaction if the sale would not have occurred but for the deceptive activity; and it is further

14. **ORDERED, ADJUDGED, AND DECREED** that Respondent shall not subject non-English speaking consumers to misleading or deceptive practices based on the consumers' inability to read or speak English; and it is further

15. **ORDERED, ADJUDGED, AND DECREED** that Respondent will conduct periodical evaluations of financing applications prepared by its Sales Staff. Each evaluation shall include contacting the borrower to verify the financial information recorded on the financing application. Star shall randomly conduct at least one evaluation per month for each employee that prepares these applications; and it is further

#### **RESTITUTION AND NOTICE OF SETTLEMENT**

16. **ORDERED, ADJUDGED, AND DECREED** that within one week of the entry of this Order, Respondent shall pay Four Thousand, Five Hundred Dollars

(\$4,500) to the NYAG to publish notice of this settlement in the World Journal, a Chinese-language newspaper, in order to locate additional potential restitution recipients.

(a) The NYAG will publish the notices of settlement on the first possible date after the above-referenced payment is received and processed;

(b) The notice will be published on Thursday through Sunday in black and white on one quarter of a page in Section A of the World Journal's New York print edition and the E-Paper, and will also be published for one month on the World Journal's website;

(c) The costs for publication listed above reflect the regular advertising rates for the World Journal as of September 14, 2020. If the World Journal advertising rates are adjusted prior to the dates of publication of this notice, Respondent's costs shall be modified accordingly;

(d) The notice shall be an accurate translation of the language annexed hereto as Exhibit A, translated into traditional Chinese for the newspaper and both simplified and traditional Chinese on the website;

(e) Any consumer who responds by contacting the NYAG within ninety days of the final publication date of this notice in the World Journal newspaper may also be eligible for restitution if their complaint alleges deceptive business practices and fraud consistent with the activities described in paragraphs 8 through 69 of the Verified Petition. The process to establish if a complainant is eligible for restitution and as well as the appropriate amount of restitution shall be determined as follows:

(i) Consumer complainants may be eligible for restitution if they purchased a used vehicle from Respondent after negotiating the sale in Chinese on or between January 1, 2014 and March 1, 2018;

(ii) The NYAG will forward to Respondent a copy of each complaint form received within the ninety-day window;

(iii) Respondent will be allowed ten days to provide the deal jacket for the transaction and a written response to the complaint to the NYAG;

(iv) The NYAG, based on the consumer's complaint statement, Respondent's written response to that complaint, and a review of the complainant's deal jacket, shall establish in good faith whether the complainant is entitled to restitution, and if so, the appropriate restitution amount; and

(v) The NYAG shall be the final arbiter of all such claim.

(f) Within thirty days of the end of the ninety-day window, the NYAG will forward a payment demand to Respondent for any consumers the NYAG deemed eligible for restitution based on the process described above; and

(g) Within thirty days of receipt of that demand, Respondent shall pay the full amount of additional restitution due, payable to the State of New York and delivered to 55 Hanson Place, Suite 1080, Brooklyn, New York 11217, to the attention of Matthew S. Eubank, an Assistant Attorney General at the Brooklyn Regional Office, and the NYAG shall distribute the payments to the eligible recipients; and it is further

17. **ORDERED, ADJUDGED, AND DECREED** that Respondent shall pay restitution in the amount of One Hundred and Eighty-Six Thousand, Eight Hundred and Fifty-Five Dollars (\$186,855) as and for the twenty-one individuals listed in the "*NYAG Restitution List for Known-Consumers*" annexed hereto as Exhibit B, payable to the State of New York and delivered to 55 Hanson Place, Suite 1080, Brooklyn,

New York 11217, to the attention of Matthew S. Eubank, an Assistant Attorney General at the Brooklyn Regional Office, and the NYAG shall distribute the payments to these consumers. Respondent shall deliver this restitution payment to the NYAG so that it is received by either December 1, 2020, or within one week of the entry of this order, whichever comes last; and it is further

**PENALTIES, COSTS, AND DISBURSEMENTS**

18. **ORDERED, ADJUDGED, AND DECREED** that Respondent shall pay a civil penalty the sum of One Hundred Thousand Dollars (\$100,000.00) to the Attorney General for this inquiry. Respondent shall pay the penalty by wire transfer, certified check, or bank check payable to the State of New York and delivered to the State of New York Office of the Attorney General, to the attention of Matthew S. Eubank, Assistant Attorney General at the New York State Office of the Attorney General, Brooklyn Regional Office, 55 Hanson Place, Suite 1080, Brooklyn, NY. Respondent shall deliver this restitution payment to the NYAG so that it is received by either March 1, 2021, or within one week of the entry of this order, whichever comes last; and it is further

19. **ORDERED, ADJUDGED, AND DECREED** that Respondent shall pay to the State of New York:

(a) statutory costs of Two Thousand Dollars (\$2,000) pursuant to CPLR § 8303(a)(6). This payment shall be made payable to the State of New York and delivered to 55 Hanson Place, Suite 1080, Brooklyn, New York 11217, to the attention of Matthew S. Eubank, an Assistant Attorney General at the Brooklyn Regional Office; and

(b) disbursements of Six Thousand, One Hundred and Sixty-Three Dollars (\$6,163) pursuant to CPLR § § 8301(a)(13) for the cost of written translation services used by the NYAG during the investigation. This payment shall be made payable to the State of New York and delivered to 55 Hanson Place, Suite 1080, Brooklyn, New York 11217, to the attention of Matthew S. Eubank, an Assistant Attorney General at the Brooklyn Regional Office; and

(c) Respondent shall deliver these payments to the NYAG so they are received by either March 1, 2021, or within one week of the entry of this order, whichever comes last and it is further

#### **COMPLIANCE**

20. **ORDERED, ADJUDGED, AND DECREED** that Respondent shall submit to the NYAG annual reports within ten days of January 1 on 2021 and 2022 for all activity related to this Consent Order during the prior calendar year, including:

(a) a sworn statement certifying that Respondent has continued to comply with the provisions of the Consent Order; and

(b) a sworn statement indicating whether Respondent identified any violations of the Consent Order by a member of its Sales Staff and the actions taken pursuant to Paragraphs 11 through 13 to address such violation; and it is further

#### **ENFORCEMENT**

21. **ORDERED, ADJUDGED, AND DECREED** that failure to comply with any provision of this Consent Order shall be considered a violation of this Consent Order.

The NYAG may upon application with notice of twenty days, take any and all other steps available, including contempt, to enforce this Consent Order; and it is further

22. **ORDERED, ADJUDGED, AND DECREED** that upon application by the NYAG showing that Respondent, after receiving a ten-day written notice to cure from the NYAG, has failed to pay any of the amounts due as restitution, penalties, costs, and disbursements required in this Consent Order, the Court shall enter a money judgment in the amount due plus interest at the rate of nine percent per year compounding daily from the date of violation or nonpayment against Respondent and the NYAG shall have execution thereof; and it is further

**PRIVATE RIGHT OF ACTION**

23. **ORDERED, ADJUDGED, AND DECREED** that nothing herein shall be construed to deprive any person of any right or remedy to pursue a private action against Respondent; and it is further

**NOTICES AND CHANGE OF ADDRESS**

24. **ORDERED, ADJUDGED, AND DECREED** that any notices, statements, or other written documents required by this Consent Order shall be provided by first-class mail to the intended recipient at the addresses set forth below, unless the party changing such address specifies a different address in writing.

For the plaintiff, to:

Attorney General of the State of New York  
Brooklyn Regional Office,  
55 Hanson Place, Suite 1080,  
Brooklyn, New York 11217

For the Respondent, to:

Stevan H. LaBonte, Esq.  
Labonte Law Group, PLLC.  
333 Jericho Turnpike, Ste. 200  
Jericho, NY 11753

Such notices, statements, and documents shall be deemed to have been given upon mailing; and it is further

25. **ORDERED, ADJUDGED, AND DECREED** that Respondent shall provide written notice to the Attorney General of any change in address within ten days of such change; and it is further

**CONTINUING JURISDICTION**

26. **ORDERED, ADJUDGED, AND DECREED** that this Court shall 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 just and proper.

Dated: Queens County, New York

November 10, 2020

**E N T E R   F O R T H W I T H**

Signed: 

Honorable: Richard G. Latin  
Justice of the Supreme Court



# EXHIBIT A

**Notice to be published in the World Journal newspaper, NY Print Edition:**

## **Notice of Settlement / Star Toyota of Bayside**

The Attorney General of the State of New York has entered into a settlement with Star Toyota of Bayside to resolve the state's investigation of Star Toyota's deceptive sales and lending practices targeting Chinese-speaking consumers.

If you are a Chinese-speaker and believe Star Toyota deceived you on the purchase or lease of a used vehicle between January 1, 2014 and March 1, 2018, please visit us at <LINK TO OUR WEBSITE ADDRESS>. If you do not have internet access, you may instead call the Attorney General's Brooklyn Regional Office at 718-560-2040. Chinese interpreters will be available when you call. You may be eligible for money back, but your time to file a claim is limited so please contact the Attorney General's Office as soon as possible.

**Notice to be published in the World Journal E-Paper and website:**

## **Notice of Settlement / Star Toyota of Bayside**

The Attorney General of the State of New York has entered into a settlement with Star Toyota of Bayside to resolve the state's investigation of Star Toyota's deceptive sales and lending practices targeting Chinese-speaking consumers.

If you are a Chinese-speaker and believe Star Toyota deceived you on the purchase or lease of a used vehicle between January 1, 2014 and March 1, 2018, please visit us at <LINK TO OUR WEBSITE ADDRESS>. You may be eligible for money, but your time to file a claim is limited so please contact the Attorney General's Office as soon as possible.

# Exhibit B

## Restitution Chart

Consumer Name	Restitution
Lujie Chen	\$7,620
Pei Jie Chen	\$6,429
Chengkui Chu	\$9,514
Ning Escobar	\$11,283
Xu Han	\$10,908
Shuqiang Hu	\$16,243
Xiangfu Jiang	\$703
Xiangchun Li	\$7,300
Yuan Qiu	\$8,143
Guohui Ren	\$3,777
Yajun Sui	\$7,177
Peng Sun	\$5,957
Gaosan Xu	\$11,461
Bin Yang	\$23,230
Li Zhang	\$11,940
Sui Liang Zhang	\$12,794
Ying Zhang	\$5,707
Hong Sheng Zhao	\$3,931
Ye Zhou	\$10,056
Tianqi Zhu	\$5,089
Jin Zhuang	\$0
Shaochun Zhuo	\$7,594
<b>TOTAL:</b>	\$186,855