ATTORNEY GENERAL OF THE STATE OF NEW YORK
BUREAU OF CONSUMER FRAUDS AND PROTECTION

In the Matter of Investigation by LETITIA JAMES, Attorney General of the State of New York, of NISSAN OF STATEN ISLAND LLC and J&R IMPORTS LTD	Assurance No. 24-023

ASSURANCE OF DISCONTINUANCE
PURSUANT TO EXECUTIVE LAW § 63(15)

The Office of the Attorney General of the State of New York ("OAG") commenced an investigation into unlawful and deceptive charges for the purchase of leased vehicles by Nissan of Staten Island LLC, doing business as Nissan of Staten Island ("NSI"), and J&R Imports Ltd, doing business as Nissan of Queens ("NOQ," together "Respondents") pursuant to General Business Law § 349, General Business Law § 350, Personal Property Law §§ 330-53, and Executive Law § 63(12). This Assurance of Discontinuance ("Assurance") contains the findings of the OAG's investigation and the relief agreed to by the OAG and Respondents, whether acting through its respective directors, officers, employees, representatives, agents, affiliates, or subsidiaries (collectively, the "Parties"). Respondents neither admit nor deny the OAG's Findings or any violation of law with respect to the purchase of leased vehicles by Respondents. Respondents have agreed to this Assurance in settlement of the OAG's investigation and to avoid the time, expense, and distraction of litigation. Further, this Assurance is not intended for use by any third party in any other proceeding nor shall be used as evidence of any wrongdoing or alleged wrongdoing by any third party.

OAG's FINDINGS

Background

1. Nissan of Staten Island LLC, doing business as Nissan of Staten Island (hereafter "NSI"), is a licensed dealer for Nissan vehicles, with its principal place of business at 1976 Hylan Blvd, Staten Island NY 10306. J&R Imports Ltd., doing business as Nissan of Queens ("NOQ"), is also a licensed dealer for Nissan vehicles, and has its principal place of business at 93-25 Rockaway Boulevard, Ozone Park, NY 11416 (together, these businesses are referred to as "Respondents").

2. Respondents operate pursuant to longstanding contractual agreements with Nissan of North America Inc. ("NNA") and its various subsidiaries, one of which is the Nissan Motor Assurance Company ("NMAC"), which operates still other companies that arrange for financing for car leasing.

3. Respondents offer consumers the option of leasing a Nissan vehicle instead of purchasing it outright.

4. To lease a Nissan vehicle, the consumer executes a lease agreement with a Nissan dealer; the dealer then assigns the lease (and, by extension, the ultimate title to the car) to a third-party financing company; the consumer then makes its lease payments to that third party financing company until the lease term concludes.

5. For Respondents during the period in question, the third-party financing company it used for car leases was almost always Nissan Infiniti LT LLC ("NILT"), a subsidiary of NMAC.[1] This investigation solely concerned vehicles leased through NMAC.

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[1] Although NILT is the legal assignee of the lease, NMAC administers the leases on NILT's behalf; for the sake of simplicity, both entities will be collectively called "NMAC." The Nissan

6. When the lease term was up, and assuming they had made all the lease payments as promised, consumers are obliged to return to a Nissan dealership and exercise one of three options. First, they can simply return the car to the dealership upon payment of a final "disposition fee" to NMAC. In this situation, NMAC would own the car, and usually would sell the car to the dealership from which the car was leased, or the dealership where the car was returned, to sell on as an ordinary used car. Second, consumers can extend the lease, or lease a different vehicle, with further agreement from the dealer and NMAC. Third, if the lease so provides, consumers have the option to purchase the car outright. The OAG's investigation focused on this third option.

7. Because any vehicle leased through NMAC was owned by NMAC, it is not necessary for consumers who leased their vehicles from one dealer to purchase them through that same dealer (although many consumers understandably did so). Instead, NMAC obligated all its franchised dealers to process exercises of the purchase option, regardless of whether the dealer originated the lease.

The SignatureLease Makes Specific Promises About the Price of a Purchased Leased Vehicle

8. Respondents used a standard lease form for their auto leases, the "SignatureLease." This same form was used by other Nissan dealers; all leases at issue in this investigation used the same form SignatureLease. The SignatureLease is the governing document setting out the terms of the lease, and is provided to every consumer after it is executed.

Motor Acceptance Company is a successor to Nissan Motor Acceptance Corporation; although the transition from one legal form to another occurred during the period in question, it changed nothing relevant to the facts at issue here; any reference to "NMAC" should therefore be taken to refer to both enterprises.

9. The SignatureLease set out the process by which the lessee could purchase the leased vehicle. At the time the vehicle was leased, the consumer signed a SignatureLease with the leasing dealership; the consumer and original leasing dealership were the counterparties to the SignatureLease contract. The dealership would then immediately assign (on the very lease document itself) the lease and underlying title to the vehicle to NMAC.[2] When the time came to purchase the vehicle, this process would occur in reverse: pursuant to clause 28(2) of the SignatureLease, "[i]f the Lessee [i.e. the consumer] is purchasing the Vehicle, the Lease and the Vehicle are sold to a dealer, who will then sell the Vehicle to the Lessee." At the moment of the exercise of the purchase option (that is, the moment that title to the vehicle passed to the consumer), the parties to the Lease would be the consumer on the one hand and the *selling* dealership, even if different from the leasing dealership, on the other.

10. As relevant here, the SignatureLease contains two passages giving customers the right to purchase their leased vehicle.

11. The first passage, in section 6 of the SignatureLease, reads in relevant part "Purchase Option at End of Lease Term. You have an option to purchase the Vehicle at the end of the lease term for $[the residual value of the vehicle, discussed below], and a Purchase Option Fee of $300. See Section 15."

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[2] The SignatureLease reads "Lessor accepts the terms of this Lease and Lessor assigns and transfers to Nissan-Infiniti LT ("NILT") all of Lessors' rights, title, and interest in and to this Vehicle and this lease including all amounts payable thereunder, pursuant to the terms of the applicable written Retailer Agreement between Lessor and Nissan Motor Acceptance Corporation ("NMAC"), the benefits of which have been assigned by NMAC to NILT for purposes of leases assigned to NILT. Any guaranty by Retailer is made notwithstanding the terms of the Retailer Agreement. By signing below, the Lessor accepts the terms and conditions of this Lease."

12. The second passage, in section 15 of the SignatureLease, reads as follows (emphasis and size differences in original):

> You have the option to purchase this Vehicle "AS IS" from the originating dealer, or other location we specify, in cash for the Purchase Option Price, *plus* any official fees and taxes, vehicle inspection costs required in connection with the purchase, and a Purchase Option Fee of **$300**, which fees, taxes and costs are not included in the Purchase Option Price agreed to in Section 6. If you purchase the Vehicle at the end of the lease term, the Purchase Option Price will be the Residual Value shown in Section 5.d). If you purchase the Vehicle before the end of the lease term, the Purchase Option Price will be the Adjusted Lease Balance disclosed in Section 14). In either case, you must also pay other amounts due under this Lease at the time of purchase.

13. Section 15 explains that if the vehicle is purchased at the end of the lease term, the consumer need only pay the residual value of the vehicle as the Purchase Option Price plus the $300 purchase option fee and certain additional sums described below.

14. The adjusted lease balance—which served as the Purchase Option Price if the car was purchased before the lease term was up—was defined in section 14 of the SignatureLease as "a charge in today's dollars for Base Monthly Payments not yet due and the Residual Value of the Vehicle."

15. The elements of the Purchase Option Price were not only reported to the consumer on the face of the lease agreement; these important figures were also reported to NMAC. If the purchase option were exercised and it was necessary for the dealer to purchase the vehicle from NMAC to sell it to the consumer exercising the option, the dealer would only pay NMAC the Purchase Option Price plus $75 in a "buyer fee." That $75 reflected NMAC's cut of the $300 Purchase Option Fee; the dealer would retain $225 as its share of the fee.

16. In other words, NMAC was the keeper of the accurate Purchase Option Price at all times, and this price could be easily determined on any particular date by Respondents with only a moment's inquiry to the electronic communications platform linking NMAC and the dealership.

17. The remainder of section 15 of the SignatureLease sets out the entirety of the charges consumers would be obligated to pay in order to purchase the vehicle:

a. The Purchase Option Price (being either the residual value if purchased at the lease term, or the residual value incorporating remaining lease payments if purchased beforehand); and,

b. any official fees and taxes; and,

c. vehicle inspection costs required in connection with the purchase; and,

d. the Purchase Option Fee of $300; and,

e. other amounts due under the lease at the time of purchase.

18. Each of the additional fees described in the SignatureLease has a well-understood and well-defined meaning in New York State, in particular.

19. New York law limits the "official fees and taxes" payable on any sale of a used car in the Vehicle and Traffic Law and General Business Law to the following: sales tax, vehicle inspection costs (if the vehicle requires inspection), title transfer fees, registration fees (if the car's registration must be renewed), and, if the dealer assists the consumer with obtaining title transfer or registration, a limited fee for providing this service.

20. Cars are subject to sales tax; for both NOQ and NSI dealership, located as they were in New York City, the applicable sales tax was 8.875%.

21. It is almost always the case that dealers handle car registration, certificates of title, and associated paperwork for the consumer; if they do, 15 NYCRR § 78.19 permitted the dealer to cover the expense of providing this service by charging a fee not to exceed $75 if the car was sold before August 18, 2021, or $175 after August 18, 2021.[3] If the consumer wanted special or distinctive plates, the dealer may charge not more than $5 for assisting the consumer in obtaining these plates pursuant to that same regulation.

22. The vehicle inspection costs imposed by New York's Department of Motor Vehicles range depending on the type of vehicle, but for passenger Nissan vehicles would be no more than $37 in the New York City metropolitan area serviced by Respondents ($10 for a safety inspection, $27 for an emissions inspection).

23. As for the cost of certificates of title and registration, the dealer is required by General Business Law § 396-qq(2) to "either calculate the actual registration and/or certificate of title charges due, or make a good faith estimate in each transaction of such charges of the sales contract or lease agreement." According to the DMV, the title transfer fee is a flat $50.

24. If a consumer needs to renew or change their registration, the registration fee is readily calculable from the weight of the vehicle and ranges from $26 for the lightest Nissan vehicles to $122 for the heaviest Nissan passenger vehicle presently on the market. Entirely new registrations attract a DMV fee of $25 for standard license plates; for specialized plates, the new registration DMV fee is $60.

25. In sum, , the SignatureLease allows the consumer to buy their vehicle for the total of the residual value, the remaining lease payments, sales tax, and no more than between no

[3] The amendment made August 18, 2021 that increased this amount to $175 from $75 has been accounted for in determining the permissible charges before and after this date.

more than $438 to $527 in additional fees before August 18, 2021, and no more than $538 to $627 in additional fees after that date (inclusive, in both cases, of the $300 Purchase Option Fee).

26. Respondents knew or had reason to know that the charges they could impose were limited in this way; indeed, Respondents agreed not to charge any more in clause 4.1 of the Retailer Agreement Respondents signed with NMAC, which read in relevant part (emphasis added):

> If a Customer exercises an option to purchase the Vehicle under a Lease, upon NMAC's request the Retailer [i.e. Respondents] shall repurchase the Lease and the Vehicle. **The repurchase price to be paid by the Retailer to NMAC shall be the Purchase Option Price** disclosed in the Customer's Lease, and shall be paid to NMAC according to procedures that NMAC may from time to time announce through Retailer Bulletins, website applications or other means. Upon such repurchase, the Retailer shall promptly arrange to sell the Vehicle at the Purchase Option Price disclosed in the Customer's Lease, and settle its account with the Customer, including collection and remittance of applicable sales tax, title and registration fees to the appropriate governmental authority. **Retailer acknowledges and agrees that it cannot charge the Customer any fees in connection with the gross payoff other than what is disclosed in the Lease or required by state law.**

27. NMAC's SignatureLease Dealer Reference Guide, issued in May 2016, was even more blunt about the impermissibility of additional fees (at 17, emphasis added):

> You may only charge the Purchase Option Fee stated on the lease contract when the lease contract was signed. **You may not impose any other purchase option fees or charges. You may not charge a documentation fee as part of the lease purchase option**, unless you have entered into a new retail finance agreement with the customer to enable the customer to exercise the option. The documentation fee would thus be permitted under the terms of the new financing contract. **Official fees and taxes may only be imposed on the customer if required by law for the purchase transaction**. A purchase option fee may not be charged on leases that do not disclose a purchase option fee.

28. The above language has appeared, in substantially identical form, in every Dealer Reference Guide sent in every subsequent year, up to the present day.

29. This language in the Retailer Agreement and Dealer Reference Guide underscored that a consumer who leased a vehicle with the SignatureLease could purchase that vehicle without any additional fees beyond those required by law and the $300 purchase option fee. It also emphasized that it would be clear on the face of NMAC paperwork whether the amount the consumer paid for the car would match what the dealer paid for the car: the true contractual Purchase Option Price as calculated by NMAC.

The COVID-19 Pandemic Results in Higher Prices for Used Cars

30. As a result of shortages in semiconductor chips and shutdowns in new car production caused at least in part by the COVID-19 pandemic, demand for used cars spiked and supplies of used cars plummeted. As a result, the price of used cars increased and far more consumers began to invoke their contractual purchase rights at the conclusion of their lease than had previously.

31. As discussed above, whatever the circumstances behind the rise in purchase option invocations, Respondents had only one lawful course open to them when a consumer turned to them to facilitate exercise of the purchase option: charge only the dollars-and-cents price set forth in the SignatureLease for that option, even if economic circumstances made Respondents' compliance with those obligations more economically disadvantageous than Respondents anticipated when the price was set.

32. Owing to NMAC's arrangement of its operations in New York, a dealer is an essential part of the lease purchase process. Failure to purchase a vehicle at or before the lease was up would lead the car automatically reverting to NMAC. It was Respondents' legal

obligation to honor the terms of the lease agreement and not to take advantage of their increase in bargaining power.

In Hundreds of Lease Purchase Deals, Respondents Charge Additional Unlawful Fees and Hide Them in the Deal Paperwork

33. Both the price ultimately charged for lease purchases and the documentation of the components of that price are set forth in "deal jackets"— the dealer's copy of all of the collected paperwork for car sale furnished to a consumer. The deal jackets for all lease purchases made by Respondents' consumers between January 2020 and May 2022 demonstrate that consumers were repeatedly charged undisclosed fees.

34. The deal jackets reflect both the amount of money consumers were supposed to be charged under the SignatureLease, and how much more they were in fact charged by Respondents during the pandemic. The differences were often significant.

35. "On the sale of every vehicle, the retail dealer must issue to the purchaser, in addition to the certificate of sale (form MV-50 [required by the DMV]), a bill of sale or an invoice" (15 NYCRR § 78.13[a]). That invoice must be accurate and complete, stating each specific charge being imposed on the consumer.

36. It is a deceptive practice for any dealer, at the time of a sale of a motor vehicle, to give a customer an invoice that does not list with specificity each of the fees that the consumer would be charged for the car and any add-on products the consumer chose to purchase at the same time such as an extended service contract. Similarly, it is a deceptive and unlawful practice to state the value of the vehicle on the invoice to be any figure other than the purchase option price as defined by the lease agreement.

37. Respondents repeatedly provided inaccurate and misleading invoices to their customers, overcharging hundreds of them in the process.

38. Many of Respondents' overcharges were brazen. Here, for example, is a copy of the Vehicle Purchase Receipt applicable to the lease buyout of a 2018 Nissan Rogue at Nissan of Queens (that is, the receipt for the sale of the vehicle by NMAC to NOQ, for NOQ to then sell on to the consumer).

Date: 11/20/2021

VEHICLE PURCHASE RECEIPT

Congratulations on your vehicle purchase! Please print this page for your reference and forward a copy to your accounts payable department to retain as a file copy.

PURCHASE DETAILS

Sales Date: 11/20/2021
Seller: NILT
Purchase Type: Lessee Purchase (Net payoff includes applicable credit and / or security deposit)
Payment Method: Check out on manheim.com
Purchase Price: $15,187
Buyer Fee: $75
Relist Fee: $0
Total Purchase Amount: **$15,262**

VEHICLE DETAILS

VIN: [redacted]
Description: 2018 Nissan Rogue SV
Color: Magnetic Black
Inspection Complete? N
Frame Damage? N/A
Grounding Mileage 48,835
Inspection Mileage: N/A
Odometer Problem? N
Pick up location: 31 SEACLIFF AVE
City, State, Zip Code: GLENCOVE, NY, 11542
Phone Number: (718) 835-8300

BUYER DETAILS

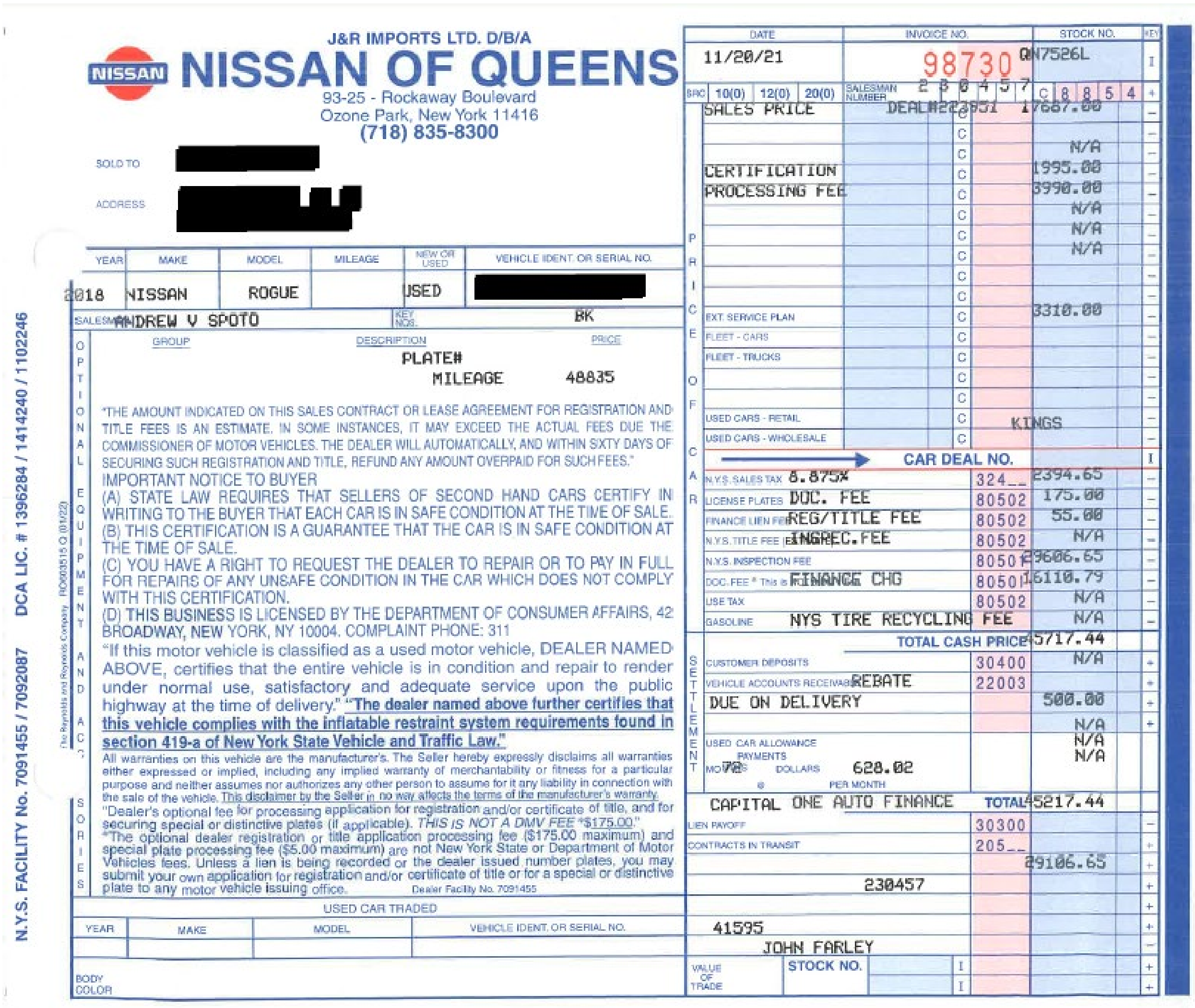
Buyer Name: PAUL GIBSON
Dealership Name: NISSAN OF QUEENS
Street Address: 93-25 ROCKAWAY BLVD
City, State, Zip Code: OZONE PARK, NY, 11417
Phone Number: (718) 835-8300

LESSEE DETAILS

Lessee Name: [redacted]
Account Number: [redacted]
Signed Odometer Statement Received? Y
Vehicle Sold to Original Lessee? Y

39. Pursuant to clause 4.1 of the Retailer Agreement, the purchase price displayed on the Vehicle Purchase Receipt for this vehicle was the Purchase Option Price as NMAC calculated it on the day of the lease buyout, and that price was $15,187.

40. But these figures are conspicuously absent from the invoice shared with the consumer—the invoice Respondents was legally obligated to ensure was complete and accurate. Here is that invoice:


J&R IMPORTS LTD. D/B/A
NISSAN OF QUEENS
93-25 - Rockaway Boulevard
Ozone Park, New York 11416
(718) 835-8300

SOLD TO [redacted]
ADDRESS [redacted]

YEAR	MAKE	MODEL	MILEAGE	NEW OR USED	VEHICLE IDENT. OR SERIAL NO.
2018	NISSAN	ROGUE		USED	[redacted]

SALESMAN ANDREW V SPOTO KEY NOS. BK

GROUP	DESCRIPTION	PRICE
	PLATE#	
	MILEAGE	48835

"THE AMOUNT INDICATED ON THIS SALES CONTRACT OR LEASE AGREEMENT FOR REGISTRATION AND TITLE FEES IS AN ESTIMATE. IN SOME INSTANCES, IT MAY EXCEED THE ACTUAL FEES DUE THE COMMISSIONER OF MOTOR VEHICLES. THE DEALER WILL AUTOMATICALLY, AND WITHIN SIXTY DAYS OF SECURING SUCH REGISTRATION AND TITLE, REFUND ANY AMOUNT OVERPAID FOR SUCH FEES."

IMPORTANT NOTICE TO BUYER

(A) STATE LAW REQUIRES THAT SELLERS OF SECOND HAND CARS CERTIFY IN WRITING TO THE BUYER THAT EACH CAR IS IN SAFE CONDITION AT THE TIME OF SALE.
(B) THIS CERTIFICATION IS A GUARANTEE THAT THE CAR IS IN SAFE CONDITION AT THE TIME OF SALE.
(C) YOU HAVE A RIGHT TO REQUEST THE DEALER TO REPAIR OR TO PAY IN FULL FOR REPAIRS OF ANY UNSAFE CONDITION IN THE CAR WHICH DOES NOT COMPLY WITH THIS CERTIFICATION.
(D) THIS BUSINESS IS LICENSED BY THE DEPARTMENT OF CONSUMER AFFAIRS, 42 BROADWAY, NEW YORK, NY 10004. COMPLAINT PHONE: 311

"If this motor vehicle is classified as a used motor vehicle, DEALER NAMED ABOVE, certifies that the entire vehicle is in condition and repair to render under normal use, satisfactory and adequate service upon the public highway at the time of delivery." "**The dealer named above further certifies that this vehicle complies with the inflatable restraint system requirements found in section 419-a of New York State Vehicle and Traffic Law.**"

All warranties on this vehicle are the manufacturer's. The Seller hereby expressly disclaims all warranties either expressed or implied, including any implied warranty of merchantability or fitness for a particular purpose and neither assumes nor authorizes any other person to assume for it any liability in connection with the sale of the vehicle. This disclaimer by the Seller in no way affects the terms of the manufacturer's warranty.

"Dealer's optional fee for processing application for registration and/or certificate of title, and for securing special or distinctive plates (if applicable). *THIS IS NOT A DMV FEE* *$175.00."
*The optional dealer registration or title application processing fee ($175.00 maximum) and special plate processing fee ($5.00 maximum) are not New York State or Department of Motor Vehicles fees. Unless a lien is being recorded or the dealer issued number plates, you may submit your own application for registration and/or certificate of title or for a special or distinctive plate to any motor vehicle issuing office. Dealer Facility No. 7091455

USED CAR TRADED

YEAR	MAKE	MODEL	VEHICLE IDENT. OR SERIAL NO.

BODY COLOR

N.Y.S. FACILITY No. 7091455 / 7092087 DCA LIC. # 1396284 / 1414240 / 1102246

DATE	INVOICE NO.	STOCK NO.
11/20/21	98730	QN7526L

SALESMAN NUMBER 2 3 0 4 5 7 C 8 8 5 4

SALES PRICE	DEAL#223951		17687.00
		C	
		C	N/A
CERTIFICATION		C	1995.00
PROCESSING FEE		C	3990.00
		C	N/A
		C	N/A
		C	N/A
EXT. SERVICE PLAN		C	3310.00
FLEET - CARS		C	
FLEET - TRUCKS		C	
USED CARS - RETAIL		C	KINGS
USED CARS - WHOLESALE		C	
CAR DEAL NO.			
N.Y.S. SALES TAX 8.875%		324__	2394.65
LICENSE PLATES DOC. FEE		80502	175.00
FINANCE LIEN FEE REG/TITLE FEE		80502	55.00
N.Y.S. TITLE FEE INGREC.FEE		80502	N/A
N.Y.S. INSPECTION FEE		80501	29606.65
DOC. FEE FINANCE CHG		80501	16110.79
USE TAX		80502	N/A
GASOLINE NYS TIRE RECYCLING FEE			N/A
TOTAL CASH PRICE			45717.44
CUSTOMER DEPOSITS		30400	N/A
VEHICLE ACCOUNTS RECEIVABLE REBATE		22003	
DUE ON DELIVERY			500.00
			N/A
USED CAR ALLOWANCE			N/A
PAYMENTS MOS 72 DOLLARS 628.02 PER MONTH			N/A
CAPITAL ONE AUTO FINANCE		TOTAL	45217.44
LIEN PAYOFF		30300	
CONTRACTS IN TRANSIT		205__	
			29106.65
	230457		
41595			
JOHN FARLEY			
VALUE OF TRADE	STOCK NO.		

For ease of reading, an extract of the above image is presented below:

DATE	INVOICE NO.	STOCK NO.	KEY
11/20/21	98730	QN7526L	I
SRC 10(0) 12(0) 20(0)	SALESMAN NUMBER 2 3 6 4 5 7	C 8 8 5 4	+

SALES PRICE	DEAL #243851		17687.00	–
	C			–
	C		N/A	–
CERTIFICATION	C		1995.00	–
PROCESSING FEE	C		3990.00	–
	C		N/A	–
	C		N/A	–
	C		N/A	–
	C			–
	C			–
EXT. SERVICE PLAN	C		3310.00	–
FLEET - CARS	C			–
FLEET - TRUCKS	C			–
	C			–
	C			–
USED CARS - RETAIL	C	KINGS		–
USED CARS - WHOLESALE	C			–
CAR DEAL NO.				I
N.Y.S. SALES TAX 8.875%		324__	2394.65	–
LICENSE PLATES DOC. FEE		80502	175.00	–
FINANCE LIEN FEE REG/TITLE FEE		80502	55.00	–
N.Y.S. TITLE FEE (E INSREC.FEE		80502	N/A	–
N.Y.S. INSPECTION FEE		80501	29606.65	–
DOC. FEE * This is FINANCE CHG		80501	16110.79	–
USE TAX		80502	N/A	–
GASOLINE NYS TIRE RECYCLING FEE			N/A	–
TOTAL CASH PRICE			45717.44	
CUSTOMER DEPOSITS		30400	N/A	+
VEHICLE ACCOUNTS RECEIVABLE REBATE		22003		+
DUE ON DELIVERY			500.00	+
			N/A	+
USED CAR ALLOWANCE			N/A	
PAYMENTS			N/A	
MONTHS 72 DOLLARS 628.02 @ PER MONTH				
CAPITAL ONE AUTO FINANCE		TOTAL	45217.44	
LIEN PAYOFF		30300		–
CONTRACTS IN TRANSIT		205__		+
			29106.65	+
230457				+

41. Instead of presenting the Vehicle Price to be the *true* Vehicle Price (that is, the Purchase Option Price of $15,187 that appeared on the Vehicle Purchase Receipt between NMAC and NOQ), this invoice falsely asserted that the Vehicle Price was $17,687, or precisely

$2,500 more than Purchase Option Price. This discrepancy cannot be explained by the presence of after-sale products because the consumer invoice plainly provided that all after-sale products would be itemized below the vehicle price—and indeed one such product was so itemized, a service plan for which NOQ charged $3,310.[4] And even if it could, it would be doubly deceptive to roll certain after-sale products into the vehicle price while having other after-sale products itemized.

42. In addition to this hidden $2,500 upcharge, NOQ added two additional upcharges to the invoice itself: a $1,995 "certification" fee and a $3,990 "processing" fee. Neither fee was permitted by any provision of the SignatureLease or any applicable law.

43. Ironically, another fee omitted on this invoice was one NOQ *was* entitled to charge, namely the $300 Purchase Option Fee. By omitting this fee, the invoice created the misleading impression that any of the other stated fees were in fact the permitted fee, or incorporated the Purchase Option Fee in their total.

44. Similar deceptive invoices and overcharges pervaded deal paperwork provided to consumers by NSI. Here, for example, is the Vehicle Purchase Receipt between NSI and NMAC for a 2019 Nissan Sentra, which states that the Vehicle Price and therefore the Purchase Option Price is $10,904:

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[5] For the avoidance of doubt, the $300 Purchase Option Fee that may be charged to a consumer may not be increased to account for the $75 Buyer Fee levied by NMAC or any other fee NMAC may elect to impose on the dealership, absent express provision for the same on the SignatureLease signed by the consumer.

Date: 10/26/2021

VEHICLE PURCHASE RECEIPT [redacted]

Congratulations on your vehicle purchase! Please print this page for your reference and forward a copy to your accounts payable department to retain as a file copy.

PURCHASE DETAILS

Sales Date: 10/26/2021
Seller: NILT
Purchase Type: Lessee Purchase (Net payoff includes applicable credit and / or security deposit)
Payment Method: Check out on manheim.com
Purchase Price: $10,904
Buyer Fee: $75
Relist Fee: $0
Total Purchase Amount: **$10,979**

VEHICLE DETAILS

VIN: [redacted]
Description: 2019 Nissan Sentra SR
Color: Gun Metallic
Inspection Complete? N
Frame Damage? N/A
Grounding Mileage 57,816
Inspection Mileage: N/A
Odometer Problem? N
Pick up location: 1976 HYLAN BLVD
City, State, Zip Code: STATEN ISLAND, NY, 10306
Phone Number: (718) 447-3800

BUYER DETAILS

Buyer Name: JORDAN ROSEN
Dealership Name: NISSAN OF STATEN ISLAND
Street Address: 1976 HYLAN BLVD
City, State, Zip Code: STATEN ISLAND, NY, 10306
Phone Number: (516) 457-6635

LESSEE DETAILS

Lessee Name: [redacted]
Account Number: [redacted]
Signed Odometer Statement Received? Y
Vehicle Sold to Original Lessee? Y

45. But here is NSI invoice for that same vehicle, plainly stating that the sales price would now be $16,999, or $6095 more than NSI was allowed to charge.

BUYER

NISSAN OF STATEN ISLAND LLC

SALES	PREOWNED & COMMERCIAL	SERVICE
1976 Hylan Blvd.	1220 Hylan Blvd.	222 Parkinson Ave.
Staten Island, NY 10306	Staten Island, NY 10305	Staten Island, NY 10305

SALES: 718 447 3800 SERVICE: 718 447 3878 PARTS: 718 447 3863

www.nissanofstatenisland.com

SOLD TO [redacted]

ADDRESS [redacted]

YEAR	MAKE	MODEL	NEW OR USED	VEHICLE IDENT. OR SERIAL NO.
2019	NISSAN	SENTRA	USED	[redacted]

SALESMAN FERNANDO REYES KEY NOS. GUN MET

OPTIONAL EQUIPMENT AND ACCESSORIES

GROUP	DESCRIPTION	PRICE
PLATE#		
MILEAGE 57816		

POSTED
OCT 28 2021

THE AMOUNT INDICATED ON THIS SALES CONTRACT OR LEASE AGREEMENT FOR REGISTRATION AND TITLE FEES IS AN ESTIMATE. IN SOME INSTANCES, IT MAY EXCEED THE ACTUAL FEES DUE THE COMMISSIONER OF MOTOR VEHICLES. THE DEALER WILL AUTOMATICALLY AND WITHIN S[redacted]YS OF SECURING SUCH REGISTRATION AND TITLE, REFUND ANY AMOUNT OVERPAID FOR SUCH FEES.

Customer Initials: [redacted] Date: 10/23/2021

"If this motor vehicle is classified as a used motor vehicle, DEALER NAMED ABOVE, certifies that the entire vehicle is in condition and repair to render under normal use, satisfactory and adequate service upon the public highway at the time of delivery."

All warranties on this vehicle are the manufacturer's. The Seller hereby expressly disclaims all warranties either expressed or implied, including any implied warranty of merchantability or fitness for a particular purpose and neither assumes nor authorizes any other person to assume for it any liability in connection with the sale of the vehicle. This disclaimer by the Seller in no way affects the terms of the manufacturer's warranty.

"Dealer's optional fee for processing application for registration and/or certificate of title, and for securing special or distinctive plates (if applicable). *THIS IS NOT A DMV FEE* *$75.00."

*The optional dealer registration or title application processing fee ($75.00 maximum) and special plate processing fee ($5.00 maximum) are not New York State or Department of Motor Vehicles fees. Unless a lien is being recorded or the dealer issued number plates, you may submit your own application for registration and/or certificate of title or for a special or distinctive plate to any motor vehicle issuing office. Dealer Facility No. 7120038

USED CAR TRADED

The Reynolds and Reynolds Company RO621209_e Q (03/17)

DATE	INVOICE NO.		STOCK NO.	KEY
10/23/21	LBO		LBO	I
SRC 10(0) 12(0) 20(0)	SALESMAN NUMBER 1 8 5		C 8 8 5 4	+

PRICE OF CAR

SALES PRICE	DEAL#	C 43677	16999.00	–
		C		–
		C	N/A	–
		C	N/A	–
		C	N/A	–
		C	N/A	–
		C	N/A	–
OTHER AFTERMARKETS		C	1500.00	–
		C		–
		C		–
EXT. SERVICE PLAN		C	5000.00	–
FLEET - CARS		C		–
FLEET - TRUCKS		C		–
		C		–
		C		–
USED CARS - RETAIL		C		–
USED CARS - WHOLESALE	KINGS	C		–
CAR DEAL NO.				I
N.Y.S. SALES TAX	8.875%	324__	2085.54	–
LICENSE PLATES	DOC. FEE	80502	175.00	–
FINANCE LIEN FEE	REG/TITLE FEE	80502	50.00	–
N.Y.S. TITLE FEE	INSPEC.FEE	80502	N/A	–
N.Y.S. INSPECTION FEE		80501	25809.54	–
DOC. FEE *	FINANCE CHG	80501	2951.34	–
USE TAX		80502	N/A	–
GASOLINE	NYS TIRE RECYCLING FEE			–
TOTAL CASH PRICE			28760.88	

SETTLEMENT

CUSTOMER DEPOSITS		30400	N/A	+
VEHICLE ACCOUNTS RECEIVABLE	REBATE	22003		+
DUE ON DELIVERY			2100.00	+
				+
USED CAR ALLOWANCE			N/A	
PAYMENTS MONTHS DOLLARS			N/A	
72 @370.29 PER MONTH			N/A	
BANK OF AMERICA NA	TOTAL		26660.88	
LIEN PAYOFF		30300		–
CONTRACTS IN TRANSIT		205__		+
			23709.54	+
	185			+

46. As with NOQ, this sale price could not have simply reflected the cost of after-sale products NSI sold the consumer, because those products were deceptively and unlawfully mashed together under the line item "Other Aftermarkets" for $1,500, in addition to $5,000 for a service plan. And as with NOQ, NSI's invoices did not disclose the $300 Purchase Option Fee that NSI was permitted to charge.

47. Although the particulars varied from customer to customer, these examples illustrates how Respondents repeatedly operated with respect to lease buyouts following the onset of the pandemic.

48. Fully 644 of the 873 lease buyouts processed by NOQ (73% of the total) and 312 out of the 592 lease buyouts processed by NSI (52% of the total) documented an overcharge; the average overcharge was more than $900 for each overcharged customer. Indeed, ***none*** of the lease buyouts from either of NOQ or NSI featured a full and accurate invoice stating every charge with the requisite specificity.

49. Even if all of Respondents' fees had been disclosed, Respondents still were charging consumers one price for the vehicle in the SignatureLease when, in fact, Respondents charged them a higher one. This was deceptive.

Respondents' Conduct Violated Applicable Statutes and Regulations

50. Regulation M, issued by the Consumer Financial Protection Bureau, made applicable to motor vehicle leases by New York State law, require that a lease include "statement of whether or not the lessee has the option to purchase the leased property, and . . . the purchase price . . . or the method for determining the price and when the lessee may exercise this option," (12 CFR § 213.4[i][1]-[2]; *see also* 15 U.S.C. § 1667a[5] [portion of the Consumer Leasing Act of 1976 underlying this regulation, requiring disclosure of "whether or not the lessee has the option to purcahse the leased property and at what price and time"]; Personal Property Law § 337[5][a] [New York State Motor Vehicle Retail Leasing Act ("MVRLA") obliging retail lease agreements contain "[a]ll items required to be disclosed by the act of Congress entitled 'Consumer Leasing Act of 1976' and the regulations thereunder"]).

51. By repeatedly charging lease purchase consumers more than the price stated on the SignatureLease, Respondents rendered the SignatureLease's disclosures defective and materially misleading, in violation of Regulation M and the MVRLA.

52. By misrepresenting the price at which consumers can purchase their leased vehicle at the end of the lease term, failing to honor the purchase price stated in the lease, and concealing fees and the accurate price information for each vehicle, Respondents engaged in false advertising in violation of Section 350 of the General Business Law, deceptive practices in violation of Section 349 of the General Business Law, and fraudulent and illegal conduct in violation of Executive Law § 63(12).

53. By engaging in the aforementioned acts and practices, Respondents have also engaged in repeated fraudulent and illegal conduct in violation of Executive Law § 63(12).

AGREEMENT

54. WHEREAS, Respondents neither admit nor deny (a) the OAG's Findings (i.e., paragraphs 1 through 53 above) or (b) any violation of law with respect to the purchase of leased vehicles by Respondents, but have agreed to this Assurance in settlement of the OAG's investigation and to avoid the time, expense, and distraction of litigation;

55. WHEREAS this Assurance is not intended for use by any third party in any other proceeding nor shall be used as evidence of any wrongdoing or alleged wrongdoing by any third party;

56. WHEREAS, the OAG finds the relief and agreements contained in this Assurance appropriate and in the public interest, such that the OAG is willing to accept this Assurance pursuant to Executive Law § 63(15), in lieu of commencing a statutory proceeding for violations of General Business Law § 349, General Business Law § 350, Personal Property Law § 337, Executive Law § 63(12), 12 CFR § 213.4, and 15 U.S.C. § 1667 *et seq*. based on the conduct described above;

IT IS HEREBY UNDERSTOOD AND AGREED, by the OAG and by Respondents, their principals, directors, officers, successors and assigns, and on behalf of their agents, representatives, and employees, and by any corporation, subsidiary, or division through which it acts or hereafter acts, as follows:

RELIEF

Definitions

57. For purposes of the paragraphs that follow, these terms shall have the following meanings:

a. "After-sale" product or service is any product or service for which the consumer is paying over and above the amount the consumer must pay to purchase a leased vehicle without any such products (i.e. the Total Allowed Charge). After-sale products include, but are not limited to, accessories, credit repair services, identity theft protection services, glass coatings, security services, warranties, maintenance coverage, tire and wheel protection, and insurance coverage;

b. "Amount overcharged" mean any amount of money paid to Respondents or any persons under the control of Respondents by consumers in the course of their exercise of the purchase option in a SignatureLease in excess of $100 more than the Total Allowed Charge. A consumer who paid an amount overcharged is an "overcharged consumer."

c. "Clearly and conspicuously" shall mean that the statement, representation, or term is so presented as to be readily apparent and understood by the person to whom it is being addressed. Factors to be considered for this purpose include, but are not limited to, language, font type and size, length, and color contrast.

d. The “dealer’s buyout price” is the amount the dealer paid or will be obliged to pay NMAC to acquire the vehicle in the course of executing a lease purchase on behalf of a consumer;

e. The “Determined Purchase Option Price” with respect to the purchase of any leased vehicle is the gross payoff price as defined by NMAC on the day of the lease purchase or the repurchase price paid by Respondents to NMAC during the process of completing a lease buyout, whichever is lower;

f. A “Potential Refund Consumer” is a consumer who purchased their leased vehicle from or via Respondents between June 1, 2022 and the date of this Assurance.

g. A “Refund Consumer” is a consumer who is entitled to a restitution payment pursuant to this Assurance. Such consumers shall constitute two categories: those named in the spreadsheet agreed to by the parties at the time of this Assurance, or those determined to be Refund Consumers pursuant to the process described in paragraph 68.

h. “Total Allowed Charge” means, with respect to the purchase of any leased vehicle, the sum of the Determined Purchase Option Price, the $300 Purchase Option Fee, the after-sale products itemized and named on the invoice provided to the consumer, those taxes and fees that the law of New York State, the United States, or another state or locality to the extent such laws expressly ***require*** to be paid in connection with the purchase and transfer of ownership of the vehicle to the consumer, and the fee permitted to be charged by 15 NYCRR § 78.19 if the dealership provides the services described in that regulation.[5]

Changes to Respondents' Business Practices

58. *General Injunction.* Respondents shall not engage, or attempt to engage, in conduct in violation of any applicable laws, including but not limited to General Business Law § 349, General Business Law § 350, Personal Property Law § 337, Executive Law § 63(12), 12 CFR § 213.4, and 15 U.S.C. § 1667 et seq.

59. *Specific Commitment to Refrain from Unlawful Lease Buyout Practices*. Respondents shall not charge any amount for the purchase of a leased vehicle more than the Total Allowed Charge, regardless of whether it was the original leasing dealership. For the avoidance of doubt, Respondents *may not* charge any fee for any service provided by the dealership that is or is represented to be necessary or relevant to the purchase of the vehicle itself over and above the Total Allowed Charge.

60. *Reform to Respondents' Invoicing Procedures*. For all purchases of leased vehicles processed following the effective date of this Assurance, Respondents' bill of sale or invoice, as required by 15 NYCRR § 78.13(a), must state, in addition to the information required by that regulation, the following information clearly and conspicuously:

a. The vehicle price, which must be the Determined Purchase Option Price;

b. The amount of the lease purchase fee stated in the original lease that must be paid by the consumer (i.e. under the SignatureLease discussed above, $300);

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[5] For the avoidance of doubt, the $300 Purchase Option Fee that may be charged to a consumer may <u>not</u> be increased to account for the $75 Buyer Fee levied by NMAC or any other fee NMAC may elect to impose on the dealership, absent express provision for the same on the SignatureLease signed by the consumer.

c. The amount of the dealer's optional DMV fee the dealer proposes to charge, inclusive of the disclaimer required by 15 NYCRR § 78.19;

d. The price of each after-sale product being sold alongside the vehicle, separately itemized for each such after-sale product and clearly and conspicuously identifying the after-sale product in question;

e. The appropriate amount of sales taxes;

f. The appropriate amount of any other taxes, itemizing each tax separately;

g. If the vehicle is being purchased pursuant to a retail installment or financing contract, the amount of the relevant financing charges;

h. As applicable, the estimated title and registration fee amounts as required by General Business Law § 396-qq;

i. As applicable, the fee required to be charged by the New York Department of Motor Vehicles for safety and emissions inspections pursuant to Part 79 of the Regulations of the New York Commissioner of Motor Vehicles;

j. All other disclosures and other items required by local, state, or federal law to be included on the invoice;

k. A total sum that accurately states the entire amount to be charged, before the application of rebates or down payments.

61. The invoice issued to the consumer complying with the provisions of paragraph 60 must be identical to the invoice kept in the deal file. Respondents may not alter the invoice in the deal file or any other management system at any time.

62. In addition to any other documentation, Respondents must issue each consumer with a statement drawn from NMAC's systems, or the lease holder if not NMAC, stating clearly

and conspicuously how the Determined Purchase Option Price was arrived at with reference to the original terms of the lease. This statement must include the residual value of the vehicle as stated on the lease, the dealer's buyout price, and the entire language set forth in the lease pertaining to the purchase of leased vehicles as well as all parts of the lease referenced in that lease language.

63. Respondents must not issue any other invoice to a consumer purchasing a leased vehicle other than the invoice required by paragraph 60 above, except for invoices associated with after-sale products further itemizing the price associated with elements of such products.

64. Respondents must furnish to the OAG an exemplar lease vehicle purchase invoice compliant with paragraph 60 within 20 business days following the execution of this Assurance. Respondents will respond to any concerns the OAG raises concerning the exemplars within 10 days of Respondents' receipt of those concerns.

65. Respondents will implement the relief described in paragraphs 60 to 64 within 60 calendar days following the date of execution of this Assurance and continue to implement the relief permanently.

66. *Revisions to Lease Arrangements Imposed by NMAC*. If NMAC, or any franchisor of whom Respondents is a franchisee, proposes to impose obligations on Respondents inconsistent with the terms of this Assurance, Respondents must give notice to the OAG, within 30 calendar days, of the proposed obligations. Such notice must include copies of the pertinent communications from NMAC or the franchisor, as well as contact information for NMAC or the franchisor's counsel or other representative.

Restitution and Penalty

67. Respondents shall distribute $890,603.94 to Refund Consumers as restitution, with each Refund Consumer receiving the amounts specified in the column labelled "Restitution to be Paid" in a spreadsheet agreed to by the parties at the time this AOD is executed. This restitution shall be sent by bank check via regular mail to the addresses identified in that spreadsheet, accompanied by the letter provided in Exhibit A. Respondents shall distribute these refunds to each Refund Consumer within five business days of the date specified in the column labelled "Target Payment Date" against each consumer's entry in the same spreadsheet.

68. *Determination of Additional Restitution to Potential Refund Consumers*. Within 60 calendar days of the execution of this Assurance, NOQ shall complete a review of each of the deal files of each Potential Refund Consumer and determine any amounts overcharged (using the definition in this AOD) to a Potential Refund Consumer and transmit to the OAG a spreadsheet summarizing the amount charged each Potential Refund Consumer, the Potential Refund Consumers were overcharged pursuant to the OAG formula, the amounts overcharged, and how that sum was determined, alongside deal jackets comprising 10% of the population of Potential Refund Consumers Respondents determined were *not* overcharged and 10% of the population of Potential Refund Consumers Respondents determined *were* overcharged pursuant to the OAG formula, chosen at random by the OAG ("Initial Additional Refund Consumer Report" or "IARCR").[6]

[6] The random sampling method is as follows: Respondents will communicate the VINs corresponding to the vehicle purchases for each category of Potential Refund Consumers (those who were and were not overcharged). OAG shall select from those VINs the deal jackets to be produced in the relevant proportions.

69. The OAG shall review the IARCR, comparing them to the random sampling of deal jackets. Upon approval of the IARCR by the OAG, those Potential Refund Consumers who the IARCR identifies as being overcharged shall be deemed Refund Consumers for all other purposes under this Assurance. Following the OAG's approval of the IARCR, Respondents shall distribute to each Refund Consumer a check for the amounts overcharged that consumer in excess of $100, by regular mail, accompanied by the letter provided in Exhibit A. Respondents shall distribute this additional restitution within 60 calendar days of the OAG's notice of approval pursuant to this paragraph.

70. Irrespective of the category of Refund Consumer to which a refund and Exhibit A letter is sent, the envelope enclosing the letter and refund must contain the words "Attorney General of the State of New York" and either "Nissan of Staten Island Settlement" (if to an NSI customer) or "Nissan of Queens Settlement" (if to an NOQ customer).

71. Prior to each said mailing, Respondents shall process the mailing address of each Refund Consumer through the National Change of Address database ("NCOA") and shall mail the checks to the most recent address. For mailings that are returned Respondents shall call the consumer on their provided phone number and request a different address. If an address is not forthcoming via such a phone call (or voicemail message and callback), Refund Consumer's home address shall be processed through the NCOA and the check mailed to the most recent home address.

72. The check to each Refund Consumer shall be made payable to the Refund Consumer (the "Restitution Check"). In the event a Refund Consumer Letter is returned to Respondents, or the Respondents cannot locate the Refund Consumer at the last known address, Respondents shall make reasonable efforts, as described in paragraph 71 above, to obtain another

address and re-send the Refund Consumer Letter to any new address identified by the Respondents. Restitution Checks for any Refund Consumer who cannot be located after pursuing all reasonable efforts or who fails to cash or deposit a Restitution Check from the Respondents shall be treated as abandoned property in accordance with the New York Abandoned Property Law (or other applicable state law if the Refund Consumer is a resident of another state).

73. Any Refund Consumer who has not received and/or cashed a Restitution Check from the Respondents (because the Refund Consumer's address could not be located or for other good cause) and who contacts OAG or Respondents prior to the later of one year from the date on which payments are first mailed by the Respondents, shall be mailed a Restitution Check, together with the Refund Consumer Letter, within 20 days of notice from the Refund Consumer or OAG to the Respondents of the Refund Consumer's entitlement to a refund.

74. For any Refund Consumer who should have been but was not sent a Restitution Check and who, within three years of execution of this Assurance, makes a request for a refund to Respondents or OAG, Respondents shall make a full payment to that Refund Consumer of the amount specified in the spreadsheet agreed to by the Parties at the time of this Assurance or the approved IARCR, as applicable.

Penalty

75. Pursuant to General Business Law §§ 350-c and 350-d, Respondents shall pay to the State of New York a penalty of $120,948.53, in two installments of $60,474.27 due and payable on November 1, 2024 and December 1, 2024, respectively. Respondents shall pay this

amount by wire transfer, certified check, or bank check payable to the State of New York. The payment must reference Assurance No. 24-023.

76. The payment shall be delivered to the State of New York Office of the Attorney General, Bureau of Consumer Frauds and Protection, Attention: AAG Alec Webley, 28 Liberty Street, New York NY 10005.

Reporting and Record-Keeping

77. *Initial Restitution Report:* Within 30 days of the completion of the mailing of the Refund Consumer Letters, including the Refund Consumer Letters to overcharged Potential Refund Consumers, Respondents shall provide a report (the “Restitution Report”) to the OAG. The Restitution Report shall consist of an annotation of the spreadsheets referenced in this AOD, against each row of which the following additional information for each Refund Consumer shall appear: the address used for mailing purposes, the amount of the Restitution Check, the date the first Refund Consumer Letter was sent, whether the Refund Consumer Letter was returned, whether the Refund Consumer's Restitution Check was cashed, and the date of any additional attempt(s) to send the Refund Consumer Letter.

78. *Periodic Compliance Auditing*: One hundred and eighty (180) days after the execution of this Assurance (“the first compliance audit date”), Respondents shall provide to the OAG a list of the VINs of leased vehicles where the dealer facilitated the purchase of those vehicles within that time period (together “the compliance audit report”). The OAG shall select 10% of the VINs so reported and communicate its selection to the Respondents. Within 10business days of this communication from the OAG, Respondents shall furnish the entire deal jacket associated with the sale of each vehicle denoted by the VINs selected by the OAG. This

process (“compliance audit”) shall be repeated twice, the first one year following the first compliance audit date, and the second two years following the first compliance audit date. Each compliance audit shall only cover the purchases or re-evaluation requests processed since the date of the last compliance audit report.

79. Respondents agree to cooperate with OAG in monitoring and auditing compliance with this Assurance. Respondents agrees to maintain and preserve the entire deal file associated with a leased vehicle purchase for a minimum of six years after their creation, and to provide or make these documents available to OAG in electronic format upon receiving written request within 30 days of receiving such request.

MISCELLANEOUS

Subsequent Proceedings

80. Respondents expressly agree and acknowledge that a material default in the performance of any obligation under paragraphs 58-79 is a violation of the Assurance, and that the OAG thereafter may commence the civil action or proceeding contemplated in paragraph 56, supra, in addition to any other appropriate investigation, action, or proceeding, and that evidence that the Assurance has been violated shall constitute prima facie proof of the statutory violations described in paragraph 56, pursuant to Executive Law § 63(15).

81. In any subsequent investigation, civil action, or proceeding by the OAG to enforce this Assurance, for material violations of the Assurance, or if the Assurance is voided pursuant to paragraph 91, the Respondents expressly agrees and acknowledges:

a. that any statute of limitations or other time-related defenses are tolled from and after the effective date of this Assurance;

b. that the OAG may use statements, documents or other materials produced or provided by the Respondents prior to or after the effective date of this Assurance;
c. that any civil action or proceeding must be adjudicated by the courts of the State of New York, and that Respondents irrevocably and unconditionally waives any objection based upon personal jurisdiction, inconvenient forum, or venue.

82. If a court of competent jurisdiction determines that Respondents have violated the Assurance, Respondents shall pay to OAG the reasonable cost, if any, of obtaining such determination and of enforcing this Assurance, including without limitation legal fees, expenses, and court costs.

83. To the extent not already provided under this Assurance, Respondents shall, upon request by OAG, provide all documentation and information necessary for OAG to verify compliance with this Assurance and to effectuate the terms of this Assurance.

Effects of Assurance

84. Acceptance of this Assurance by OAG is not an approval or endorsement by OAG of any of Respondents' practices or procedures, and the Respondents shall make no representation to the contrary.

85. This Assurance shall be binding on and inure to the benefit of the Parties to this Assurance, their respective successors and assigns, provided that no party, other than the OAG, may assign, delegate, or otherwise transfer its rights or obligations under this Assurance without the prior written consent of OAG.

86. Nothing contained herein shall be construed as to deprive any person of any private right under the law.

87. Any failure by the Attorney General to insist upon the strict performance by Respondents of any of the provisions of this Assurance shall not be deemed a waiver of any of the provisions hereof, and the Attorney General, notwithstanding that failure, shall have the right thereafter to insist upon the strict performance of any and all of the provisions of this Assurance to be performed by the Respondent.

Communications

88. All notices, reports, requests, and other communications pursuant to this Assurance must reference Assurance No. 24-023, and shall be in writing and shall, unless expressly provided otherwise herein, be given by hand delivery; express courier; or electronic mail at an address designated in writing by the recipient, and shall be addressed as follows:

89. If to Respondents, to:

Steven Blatt, Esq.,
Bellavia Blatt, PC,
200 Old Country Road, Suite 400
Mineola, NY 11501
Telephone: 516-873-3000
Email address: sblatt@dealerlaw.com

If to the OAG, to:

New York State Office of the Attorney General
Bureau of Consumer Frauds and Protection
Attn: Alec Webley, Assistant Attorney General
28 Liberty Street
New York, NY 10005
Telephone: 212-416-8133
Email address: alec.webley@ag.ny.gov

or in that person's absence, to the person holding the title of Bureau Chief, Consumer Frauds and Protection Bureau at the same mailing address.

90. Within 10 days of a change in the address of OAG or Respondent, the party whose address has changed shall provide the other with written notice of the change.

Representations and Warranties

91. The OAG has agreed to the terms of this Assurance based on, among other things, the representations made to OAG by the Respondents and their counsel and OAG's own factual investigation as set forth in its Findings, paragraphs 1-53 above. Respondents represents and warrants that they nor their counsel have made any material representations to the OAG that are inaccurate or misleading. If any material representations by Respondents are later found to be materially inaccurate or misleading, this Assurance is voidable by the OAG in its sole discretion.

92. No representation, inducement, promise, understanding, condition, or warranty not set forth in this Assurance has been made to or relied upon by Respondents in agreeing to this Assurance.

93. Respondents represents and warrants, through the signatures below, that the terms and conditions of this Assurance are duly approved, and execution of this Assurance is duly authorized. Respondents shall not take any action or make any statement denying, directly or indirectly, the propriety of this Assurance, or expressing the view that this Assurance is without factual basis. Nothing in this paragraph affects Respondents' (i) testimonial obligations or (ii) right to take legal or factual positions in defense of litigation or other legal proceedings to which the OAG is not a party.

General Principles

94. Nothing in this Agreement shall relieve Respondents of other obligations imposed by any applicable state or federal law or regulation or other applicable law.

95. Nothing contained herein shall be construed to limit the remedies available to the OAG if Respondents violates the Assurance after its effective date.

96. This Assurance may not be amended except by an instrument in writing signed on behalf of the Parties to this Assurance.

97. If any one or more of the provisions contained in this Assurance shall for any reason be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, in the sole discretion of the OAG, such invalidity, illegality, or unenforceability shall not affect any other provision of this Assurance.

98. Respondents acknowledges that it has entered this Assurance freely and voluntarily and upon due deliberation with the advice of counsel.

99. This Assurance shall be governed by the laws of the State of New York without regard to any conflict of laws principles.

100. The Assurance and all its terms shall be construed as if mutually drafted with no presumption of any type against any party that may be found to have been the drafter.

101. This Assurance may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

102. The effective date of this Assurance shall be the date upon which it has been fully executed by all of the signatories hereto.

IN WITNESS WHEREOF, this Assurance is executed by the parties hereto on the dates set forth below:

LETITIA JAMES
Attorney General of the State of New York
28 Liberty Street
New York, NY 10005

By: Jane M. Azia
____
Jane Azia
Bureau Chief

NISSAN OF STATEN ISLAND LLC
1976 Hylan Blvd
Staten Island NY 10306

____
Name of representative
Title

J&R IMPORTS LTD DBA NISSAN OF QUEENS
93-25 Rockaway Boulevard
Ozone Park, NY 11416

____
Name of representative
Title

Jane Azia
Bureau Chief

NISSAN OF STATEN ISLAND LLC
1976 Hylan Blvd
Staten Island NY 10306

Name of representative
Title COO

J&R IMPORTS LTD DBA NISSAN OF QUEENS
93-25 Rockaway Boulevard
Ozone Park, NY 11416

Name of representative
Title COO

EXHIBIT A

Refund Consumer Mailing (use mailing applicable to dealership)

(OVERLEAF)

STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL

LETITIA JAMES
ATTORNEY GENERAL

JANE M. AZIA
BUREAU CHIEF
CONSUMER FRAUDS AND PROTECTION BUREAU

[DATE]

By Regular Mail

[Consumer Name]
[Consumer Address]

RE: Nissan of Staten Island Settlement Payment

Dear [Consumer name]:

You are receiving this letter, along with the enclosed check, as a result of a settlement between my office and Nissan of Staten Island LLC, doing business as Nissan of Staten Island.

An investigation by my office revealed that, between 2021 and 2023, certain consumers who purchased their leased a vehicle through Nissan of Staten Island were overcharged in the course of that purchase.

While you may not have been aware that you were due a refund as a result of your purchase of your vehicle, Nissan of Staten Island's records indicate that you are due such refund in the amount stated in the attached check. You must cash or deposit this check **within six (6) months of the date of issue**.

I am pleased that my office was able to help you, along with many other New Yorkers, to obtain restitution through our settlement. Should you have any questions, please contact my office at 1-800-771-7755.

Sincerely,

[signature]

LETITIA JAMES

STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL

LETITIA JAMES
ATTORNEY GENERAL

JANE M. AZIA
BUREAU CHIEF
CONSUMER FRAUDS AND PROTECTION BUREAU

[DATE]

By Regular Mail

[Consumer Name]
[Consumer Address]

RE: Nissan of Queens Settlement Payment

Dear [Consumer name]:

You are receiving this letter, along with the enclosed check, as a result of a settlement between my office and Nissan of Queens, doing business as Nissan of Staten Island.

An investigation by my office revealed that, between 2021 and 2023, certain consumers who purchased their leased a vehicle through Nissan of Queens were overcharged in the course of that purchase.

While you may not have been aware that you were due a refund as a result the purchase of your vehicle, Nissan of Queens' records indicate that you are due the sums stated in the attached check. You must cash or deposit this check **within six (6) months of the date of issue**.

I am pleased that my office was able to help you, along with many other New Yorkers, to obtain restitution through our settlement. Should you have any questions, please contact my office at 1-800-771-7755.

Sincerely,

[signature]

LETITIA JAMES

[Spanish transaction of Exhibit A to come]