

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

Assurance No. 24-101

TEDDY NISSAN LLC.

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 Teddy Nissan LLC 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, Teddy, and their principals, whether acting through their respective directors, officers, employees, representatives, agents, affiliates, or subsidiaries (collectively, the “Parties”).

OAG’s FINDINGS

Background

1. Teddy Nissan LLC operated a licensed dealership for Nissan vehicles until March 2023. It was owned by Ted Bessen and Julio Batista (together with Teddy Nissan LLC, “Teddy”) with its principal place of business at 3660 Boston Road, Bronx NY 10469.

2. Teddy operated pursuant to longstanding contractual agreements with Nissan of North America Inc. (“NNA”) and Nissan Motor Assurance Company (“NMAC”), which operates still other companies that arrange for financing for car leasing.

3. In the years covered by this investigation (2020 to 2023), Teddy offered consumers the option of leasing a Nissan vehicle instead of purchasing it outright. The third-party financing company Teddy used for car leases was almost always Nissan Infiniti LT LLC (“NILT”), a subsidiary of NMAC.¹

4. To lease a Nissan vehicle, the consumer executes a lease agreement with a Nissan dealer; the dealer 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. When the lease term is 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 may 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 would either sell the car to the dealership from which the car was leased, or sell the car to the dealership where the car was returned, to sell on as an ordinary used car, or dispose of the car in some other fashion. 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.

6. 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

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 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.

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

7. Teddy 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 was the governing document setting out the terms of the lease, and a copy of it was provided to every consumer after it is executed.

8. Among other things, 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

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.”

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.

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

10. 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.”

11. 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.

12. 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.”

13. 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 was 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.

14. In other words, NMAC was the keeper of the accurate Purchase Option Price at all times, and this price could be determined by the Dealerships with inquiry to the electronic communications platform linking NMAC and the Dealerships.

15. 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.

16. 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.

17. Cars are subject to sales tax; for the Dealerships, located in New York City, the applicable sales tax rate was most often 8.875%.

18. If dealers handle car registration, certificates of title, and associated paperwork for the consumer, 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

19. 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 Teddy (\$10 for a safety inspection, \$27 for an emissions inspection).

20. 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.

21. 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.

22. In sum, then, the SignatureLease allows the consumer to buy their vehicle (setting aside any other products they might buy at the same time) for the total of the residual value, the remaining lease payments, sales tax, and no more than between \$438 to \$527 in additional fees

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.

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).

23. Clause 4.1 of the Retailer Agreement Teddy signed with NMAC 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. Teddy] 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.**

24. NMAC's SignatureLease Dealer Reference Guide, issued in May 2016, provided (at 17):

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.

25. Substantially identical language to the above appeared in the Dealer Reference Guide issued every subsequent year, up to and including 2023.

Teddy Charged Some Consumers Additional Unlawful Hidden Fees, Violating Applicable

Statutes and Regulations

26. Both the price ultimately charged for lease purchases and the documentation of the components of that price were set forth in “deal jackets”— Teddy’s copy of all of the collected paperwork for car sale furnished to a consumer.

27. Teddy’s deal jackets for lease purchases between January 2020 and May 2022 furnished to the OAG demonstrate that 129 customers were charged illegal fees that were not disclosed in the lease agreement.

28. 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 Teddy during the pandemic. One such overcharge was \$3,200; the average overcharge was \$695.98.

29. 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 purchase 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”]).

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

31. By misrepresenting the price at which consumers can purchase their leased vehicle at the end of the lease term and failing to honor the purchase price stated in the lease, Teddy 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).

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

AGREEMENT

33. WHEREAS, Teddy neither admits nor denies the OAG's Findings, paragraphs 1-32 above, but have agreed to this Assurance in settlement of the violations described above and to avoid the time, expense, and distraction of litigation;

34. 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 and between the Parties:

RELIEF

Definitions

35. 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. An after-sale product or service is a “Fully Disclosed After-Sale Product” if the cost of that product or service was itemized, separately, on the invoice provided to the consumer (e.g. “Extended Warranty,” “Tire and Wheel Protection,” etc.).
- c. “Amount(s) overcharged,” solely for purposes of this Assurance of Discontinuance, means any amount of money paid to Teddy or any persons under the control of Teddy by consumers during their exercise of the purchase option in a SignatureLease more than the Special Total Allowed Charge. A consumer who paid an amount overcharged is an “overcharged consumer.”
- d. “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.
- e. 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;
- f. 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 Teddy to NMAC during the process of completing a lease buyout, whichever is higher;

- g. A “Refund Consumer” is an overcharged consumer who was overcharged more than \$100 in the course of their lease vehicle purchase.
- 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 price of the Fully Disclosed After-Sale Products, those taxes and fees that the law of New York State, the United States, or another state or locality 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.

Changes to Teddy’s Business Practices

36. Although Teddy is not currently engaging in the business of selling or leasing automobiles, if it resumes such business, it shall comply with the provisions in paragraphs 37 through 45.

37. *General Injunction.* Teddy 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.

38. *Specific Commitment to Refrain from Unlawful Lease Buyout Practices.* Teddy 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.

39. *Reform to Teddy's Invoicing Procedures.* For all purchases of leased vehicles processed following the effective date of this Assurance, Teddy's 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), which may be identified as "Lease Purchase Fee" or "Lease Buyout Fee" or words to that effect;
- 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 and its price;
- e. The amount of sales taxes;
- f. The amount of any other taxes;
- 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.

40. The invoice issued to the consumer complying with the provisions of paragraph 38 must be identical to the invoice kept in the deal file.

41. In addition to any other documentation, Teddy 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, either on the lease holder statement or another piece of paper, a statement informing the consumer that the dealer must allow the consumer to purchase the car for no more than the Total Allowed Charge (listing the different components making up the Total Allowed Charge).

42. Teddy must not issue any other invoice to a consumer purchasing a leased vehicle other than the invoice required by paragraph 38, above, except for invoices associated with after-sale products further itemizing the price associated with elements of such products.

43. *Revisions to Lease Arrangements Imposed by NMAC.* If NMAC, or any franchisor of whom Teddy is a franchisee, proposes to impose obligations on Teddy inconsistent with the terms of this Assurance, Teddy must give notice to the OAG within 30 business 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

44. Teddy shall pay to the State of New York the amount of **\$144,344.10** (“the Total Payment”) on the following schedule:

- a. January 15: \$24,055.68
- b. February 15: \$24,055.68
- c. March 15: \$24,055.68
- d. April 15: \$24,055.68
- e. May 15: \$24,055.68
- f. June 15: \$24,055.70

45. Of the Total Payment, \$35,560.20 shall be deemed a civil penalty pursuant to General Business Law §§ 350-c and 350-d. The OAG shall apply the balance to restitution or remediation regarding the conduct alleged in the Findings above, and/or to the costs of this investigation and proceeding, at the discretion of the Attorney General, except that no part of the said balance shall revert to Teddy.

46. Teddy shall pay this amount by wire transfer or company check. 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.

47. If Teddy fails to pay the Total Payment, or any part thereof, on or before the dates in the payment schedule set out above, and further fails to pay the Total Payment or any part thereof within five days of receiving a notice of default from the OAG, Teddy agrees that a court of competent jurisdiction may direct the entry of a money judgment against Teddy and in favor of the People of the State of New York for any unpaid portion thereof, and the OAG shall

undertake execution thereof. Teddy agrees that time is of the essence in the making of the Total Payment on the dates set out on the payment schedule above.

MISCELLANEOUS

Subsequent Proceedings

48. Teddy expressly agrees and acknowledges that a default in the performance of any obligation under paragraphs 36-44 is a violation of the Assurance, and that the OAG thereafter may commence the civil action or proceeding contemplated in paragraph 34, *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 52, pursuant to Executive Law § 63(15).

49. In any subsequent investigation, civil action, or proceeding by the OAG to enforce this Assurance, for violations of the Assurance, or if the Assurance is voided pursuant to paragraph 60, the Teddy 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 Teddy 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 Teddy irrevocably and unconditionally waives any objection based upon personal jurisdiction, inconvenient forum, or venue.

50. If a court of competent jurisdiction determines that Teddy has violated the Assurance, Teddy 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.

51. To the extent not already provided under this Assurance, Teddy 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

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

53. All terms and conditions of this Assurance shall continue in full force and effect and inure to the benefit of the parties to this Assurance and their successors, assignees, or transferees. No party may assign, delegate, or otherwise transfer any of its rights or obligations under this Assurance without the prior written consent of OAG.

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

55. Any failure by the Attorney General to insist upon the strict performance by Teddy 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

56. All notices, reports, requests, and other communications pursuant to this Assurance must reference Assurance No. 24-101, 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:

57. If to Teddy, to:

Russell Shanks
Cyruli Shanks & Zizmor LLP
420 Lexington Ave.
Suite 2320
New York, NY 10170
Telephone: 212-661-6800 ext 223
Email address: rshanks@cszlaw.com

With a copy to:

Ted Bessen
c/o Teddy Volkswagen of the Bronx LLC
3743 Boston Road
Bronx, NY 10466
Telephone: 718-705-7396
Email address: Tbessen@teddycars.com

or in that person's absence, to the person holding the title of General Manager of Teddy Volkswagen of the Bronx LLC at the same mailing address.

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.

58. Within 30 days of a change in the address of OAG or Teddy, the party whose address has changed shall provide the other with written notice of the change.

Representations and Warranties

59. The OAG has agreed to the terms of this Assurance based on, among other things, the representations made to OAG by the Teddy and their counsel and OAG's own factual investigation as set forth in its Findings, paragraphs 1-32 above. Teddy represents and warrants that neither it nor its counsel has made any material representations to the OAG that are inaccurate or misleading. If any material representations by Teddy or their counsel are later found to be inaccurate or misleading, this Assurance is voidable by the OAG in its sole discretion.

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

61. Teddy 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. Teddy 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 Teddy's (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

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

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

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

65. 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.

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

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

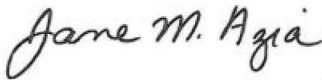
68. The Assurance and all its terms shall be construed as if mutually drafted with no presumption of any type against any party that may be found to have been the drafter.

69. 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.

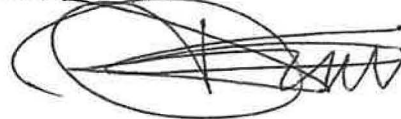
70. The effective date of this Assurance shall be the date upon which it has been fully executed by all of the signatories hereto.

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 Azia
Bureau Chief

TEDDY NISSAN LLC
3660 Boston Road
Bronx, NY 10469



Ted Bessen
Principal