

DEPARTMENT OF CONSUMER AFFAIRS  
CITY OF NEW YORK

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NYC DEPARTMENT OF CONSUMER AFFAIRS,

Consent Order

Complainant,

-against-

MANFREDI CADILLAC, INC. D/B/A  
MANFREDI HYUNDAI;  
MANFREDI AUTO LLC D/B/A MANFREDI  
MITSUBISHI; SI SAFE AUTO D/B/A MANFREDI  
MAZDA; MANFREDI CHEVROLET, LLC;  
MANFREDI CHRYSLER JEEP AND DODGE LLC;  
MANFREDI MOTORS INC. D/B/A STATEN  
ISLAND TOYOTA,

Violation Nos. LL 5231264,  
LL 5219557, LL 5219559,  
LL 5219560, LL 5219584,  
LL 5287277

License No. 0994588  
License No. 1089540  
License No. 1242494  
License No. 1284708  
License No. 1233649  
License No. 0971547

Respondents.

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WHEREAS respondents Manfredi Cadillac, Inc. d/b/a Manfredi Hyundai ("Manfredi Hyundai"), Manfredi Auto LLC d/b/a Manfredi Mitsubishi ("Manfredi Mitsubishi"), SI Safe Auto, LLC d/b/a Manfredi Mazda ("Manfredi Mazda"), Manfredi Chevrolet, LLC ("Manfredi Chevy"), Manfredi Chrysler Jeep and Dodge LLC ("Manfredi CJD"), Manfredi Motors Inc. d/b/a Staten Island Toyota ("Staten Island Toyota") (collectively, the "Respondents") acknowledge receipt of the Amended Notice of Hearing with respect to the above-captioned matter, which alleges that Respondents have violated various New York State laws, statutes and regulations (i.e., the Consumer Protection Law of 1969 ("Consumer Protection Law" or "CPL"), Title 20, Chapter 5, Subchapter I of the Administrative Code of the City of New York ("Code"), and Title 6 of the Rules of the City of New York ("Rules" or "RCNY")) and a prior settlement agreement entered with the New York City Department of Consumer Affairs ("Department" or "DCA") relating to Violation number LL 5196225, dated November 18, 2009.

WHEREAS Respondents consent to this Consent Order ("CO") with the Department to settle the above-captioned Amended Notice of Hearing.

## I. DEFINITIONS

For the purposes of this CO, the following definitions shall apply:

1. "Advertisement" or "advertisements" shall mean all labels, packaging, promotional materials, statements, visual descriptions or other representations of any kind disseminated in print, orally or electronically by or on behalf of Respondents to New York City ("NYC") consumers including, but not limited to, mailings, postcards, signs, banners, billboards, newspaper print advertisements, and internet advertisements.
2. "Effective Date" shall mean the date this CO is signed and executed by the Department and the Respondents.
3. "Manfredi dealerships" shall refer to Respondents and their officers, successors, assigns and all other persons acting on their behalf, directly, or indirectly, or through any corporate or other entity.
4. "Parties" shall refer to DCA, the City of New York and Respondents.
5. "Sales Representative" shall mean any employee who (a) communicates concerning advertisements with Manfredi dealerships' advertising agency or dealership advertisers or (b) who has sole or primary responsibility to answer any requests or inquiries from a customer concerning a vehicle which the customer is considering for purchase, who interacts with the customer by means of in-person contact on the floor of the dealership, and whose duties relate to the consummation and completion of sales of vehicles. Respondents represent that the following employees are within the scope of this definition as of the date of execution of this Consent Order:
  - a. Sales Managers

- b. General Sales Managers
- c. Finance Managers
- d. General Manager
- e. Dealer Principal
- f. Owner
- g. Executive Managers
- h. Managing Members
- i. Compliance Officer

6. "Material breach" is defined as any conduct or act constituting substantial or willful noncompliance with any provision of this CO by either Respondents or Respondents' agent(s). Material breach shall not include acts or conduct committed by persons whom or entities which Respondents have no authority to supervise or control.

## **II. INJUNCTIVE RELIEF**

7. Respondents shall comply fully with the relevant laws and rules related to secondhand automobile dealers in New York City including, but not limited to, the Consumer Protection Law (Section 20-700 *et seq.* of the Code), the License Enforcement Law (Section 20-101 *et seq.* of the Code), the Second-Hand Dealer Law (Section 20-264 *et seq.* fill. of the Code), and the Rules, as they apply to each Respondent. Respondents shall also comply with all applicable state and federal law, including but not limited to the Federal Trade Commission's ("FTC") Trade Regulation Rule on the Sale of Used Motor Vehicles ("Used Car Rule"), 16 C.F.R. Section 455. Nothing in this CO shall be construed to lessen or alter Respondents' obligations with regard to statutes and rules not specifically cited in this CO.

### **A. RESPONDENTS' OBLIGATIONS CONCERNING ADVERTISING**

8. Respondents shall ensure that all material disclosures contained in all published advertisements comply with Sections 5-06 and 5-09 of the Rules.

9. Respondents shall not publish advertisements that state or imply, directly or indirectly, that an offer of products or services applies to all vehicles where such offer is limited by specific eligibility requirements or to specific vehicles. Respondents shall not refer consumers to a website for a disclosure of material terms, exclusions, reservations, limitations, modifications of conditions made in any advertisement.

10. When Respondents' advertisement is disseminated by means of an interactive electronic medium such as software, the Internet, or online services, a disclosure made through the use of a hyperlink shall be (a) identified as a hyperlink, (b) labeled to convey the nature and relevance of the information it leads to, (c) on the same webpage, online service page or other electronic page and near the representation it modifies, and (d) takes the consumer directly to the disclosure on the click-through electronic page or other display window panel.

11. Respondents shall not publish advertisements for vehicles after the vehicles have been sold.

**B. ACTION PLAN**

12. Respondents shall take all steps necessary to ensure that they comply with the terms of paragraph 11, including, but not limited to, implementation of the annexed Action Plan and the following actions:

- a. Up to 24 hours before to the time an advertisement is scheduled to be published, Respondents' Sales Manager will advise the advertising agency and advertiser of any vehicle(s) that has been sold and direct it to remove advertising for the vehicle from any pending advertisement.
- b. For advertisements in which a sold vehicle cannot be removed on 24 hours notice, Respondents, in addition to notifying the advertising agency and advertiser, to

remove the vehicle from publication, shall, by 9:00 a.m of every day on which Respondents do business, compile a daily list of every advertised vehicle already sold. Such list shall be posted conspicuously in every area of Respondents' premises used for display or sale of vehicles and a copy shall be made available to each customer who requests it. In addition, the list shall be made available to every employee who answers customer inquiries concerning the availability of vehicles offered for sale, who will be required to provide truthful information concerning such availability, including the time and date of sale of vehicle sold before or while the advertisement was published.

- c. If any vehicle is sold less than 24 hours prior to the date the advertisement was scheduled to run, Respondents will notify the advertising agency and the advertiser, and will post a formal written letter of retraction conspicuously on the front door of Respondents' dealership. The formal written letter will include the vehicle's make, model, year, price and VIN number.
- d. Respondents shall maintain a copy of the retraction letter with the signed Advertising Template for future review and audit.

13. Within ten (10) days of the Effective Date, Respondents shall submit to the Department for its approval the following forms, which they shall use to comply with the requirements of this CO:

- a. A checklist that the Sales Manager or designated employee will use to verify the information in the advertising templates. The form shall include, but not be limited to, the following: DCA license number, official trade name, features of the vehicle (including odometer reading), stock number, and whether the vehicles had been purchased (i.e., the title and/or lien released).

- b. A checklist that the Sales Manager or designated employee will use to verify the information in the Police Books. The form shall include, but not be limited to, the following: DCA license number, trade name, features of the vehicle (including odometer reading), purchase and sale date, stock number, and whether the vehicles had been purchased (i.e., the title and/or lien released).
- c. A log that documents Respondents' correspondence with the advertising agency regarding any errors, omissions or failures by the advertising agency to print the correct advertisement or to timely make requested changes.

### **III. POLICIES, PROCEDURES AND TRAINING**

14. Within thirty (30) days of the Effective Date, Respondents shall provide a copy of this CO to all employees, independent contractors and other individuals and entities responsible for developing Respondents' advertisements published or cause to be published in New York City. For the term of this CO, Respondents shall provide a copy of the CO to every new employee, independent contractor or other individual or entity responsible for developing Respondents' advertisements published or cause to be published in New York City. Respondents may, but are not required to, redact paragraphs 25 through 27 of the copies of the CO they provided pursuant to this paragraph. Respondents shall obtain a written acknowledgment of receipt of the CO from each individual or entity to which they are required to provide the CO pursuant to this paragraph.

15. Respondents shall develop and implement training for all Sales Representatives consistent with the terms of this CO and the attached Action Plan. Employees hired or promoted to provide services as a Sales Representative or sales trainee after the date of such training(s) shall be provided with training within fifteen (15) days of their start dates. Respondents shall maintain attendance sheets for all Sales Representatives trainings.

16. Within fifteen (15) days of the Effective Date, Respondents shall provide all Sales Representatives with a copy of the Respondents' Employee Compliance Guidelines (Exhibit 1) and

Used Car Advertiser Guidelines (Exhibit 2). Respondents shall provide Exhibits 1 and 2 to a new Sales Representative on the day he or she commences work. Respondents shall obtain a written acknowledgment of receipt of the Exhibits from each Sales Representative.

17. Respondents shall implement written policies that ensure that their Sales Representatives do not make any statements to NYC consumers that substantially conflict with the material requirements of this CO.

18. Respondents shall implement written policies that ensure that Sales Representatives comply with the requirements of this CO and the laws and rules applicable to Respondents in New York City.

19. Respondents shall implement written policies providing for appropriate discipline of Sales Representatives who fail to comply with material requirements of this CO. Respondents shall document in writing all disciplinary actions taken in response to any employee's noncompliance with this CO.

#### **IV. RECORD RETENTION**

20. Upon the effective date of this CO, Respondents shall comply fully with Section 1-16 of the Rules, which governs maintenance and inspection of Respondents' records and business premises. Nothing in this CO shall be construed to lessen Respondents' obligations under Section 1-16 of the Rules.

21. Respondents shall maintain files of all consumer complaints they receive from any NYC residents, directly or via any private entity that receives consumer complaints, including, but not limited to, the Better Business Bureau and/or any governmental agency, including DCA.

22. Respondents, or their agents, shall maintain copies of advertisement orders, advertisement mock-ups, and print-outs of published advertisements and electronic or hardcopy images of web advertisements that appear on Respondents' website or other websites.

23. Respondents shall maintain a Police Book or Sales Log in accordance with Section 20-273 of the Code.

24. Respondent shall retain all documents required under this CO for a period of four years, shall maintain them in a manner that is organized and readily accessible, and shall produce any such document to the Department within ten (10) days of the Department's request therefor.

#### **V. MONETARY RELIEF**

25. Respondents shall pay to DCA the amount of Three Hundred and Ninety-five Thousand Dollars (\$395,000) in settlement of all the charges alleged in the Amended Notice of Hearing.

26. Respondents shall pay the fines in one installment of \$13,166.86 on or before the thirtieth day following the Effective Date and thereafter in twenty-nine (29) installments of \$13,166.66 on the first day of each of the twenty-nine (29) calendar months following the Effective Date.

27. Upon Respondents' default on any of the payments required by paragraph 26, the entire unpaid balance shall become immediately due and the Department, without further notice to Respondents, may suspend any and all licenses maintained by Respondents.

#### **VI. BREACH**

28. Respondents acknowledge that any material breach, as defined by this CO, on the part of Respondents with regard to any of the terms of this CO, if proven, (i) may be deemed grounds for suspension or revocation of Respondents' licenses; (ii) shall be assessed at the maximum penalties allowed by law pursuant to the Licensing Law, the Consumer Protection Law, the Second-hand Dealer Law, and the Rules; (iii) shall be treated as knowing violations; and (iv) may be deemed proof that any person with an equity interest of more than ten (10) percent or more in Respondents, or significant managerial responsibility for the operation of Respondents' business, is not possessed

of the integrity, honesty, and fair dealing required of persons who hold a license issued by the Department.

29. Before determining that a material breach occurred pursuant to this subsection, the Department shall provide a written notice to Respondents of any acts or failures to act that the Department believes may be a material breach of this CO and an opportunity to be heard by the Department within fifteen (15) days of the mailing of the written notice.

#### VII. MISCELLANEOUS

30. The Parties agree to cooperate fully and execute any and all supplementary documents and to take all additional actions which may be necessary or appropriate to give full force and effect to the terms and intent of this CO.

31. The Parties may execute this CO in counterparts, and the execution of counterparts shall have the same effect as if the parties had signed the same instrument. Facsimile and email signatures shall be considered as valid signatures as of the date of the CO, but the original signature pages shall be subsequently appended to the CO and filed with the Administrative Tribunal.

32. Nothing in this CO shall be construed to limit in any way the authority of the Department to exercise its enforcement powers under the Code.

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33. This CO shall expire four years after the Effective Date.

Dated: New York, New York  
December 6, 2013

Agreed to for the Respondents by:

  
Signature  
**NICK MANFREDI**  
Print Name

Bellavia Blatt Andron & Crosssett, PC  
Attorney for Respondents  
200 Old Country Road, Suite 400  
Mincola, NY 11501  
(212) 873-3000

By:

  
Steve H. Blatt

Accepted for the Department of Consumer  
Affairs by:

  
Staff Attorney  
42 Broadway, 9<sup>th</sup> Floor  
New York, NY 10004  
(212) 436-0327

# ACTION PLAN

**ACTION PLAN**  
**ATTACHMENT TO CONSENT ORDER**

Compliance Officer – Respondent has retained Anthony Nesnick as its Compliance Officer. Mr. Mesnick is responsible for monitoring and executing compliance with the Consent Order. Mr. Nesnick has the authority to respond to any and all inquiries by the Department regarding compliance with the Consent Order. In addition to the requirements of the Consent Order, Manfredi has instituted a policy that requires all managers to take a compliance course which includes, among other things, compliance with all relevant rules and laws related to advertising practices of the Respondents. Respondents will maintain records memorializing employee attendance at these courses.

**Manfredi Auto Group**  
**Process for Stocking in a Trade or Purchased Unit**

Manfredi is instituting the following practices and procedures to be in compliance with the law, but also as a first crucial step in the advertising of any vehicle for sale.

Every morning the pre-owned Manager will review all trade-in vehicles obtained during the prior day's business and book out such units to ensure they were appraised properly. In conjunction with the appraisal, the Manager and the General Manager will decide whether to decrease or increase the value of the traded unit. All trades will then be classified as an A, B, C or D unit. A 2007 Corvette Z06 with 4000 miles, for instance, would be classified as an A unit; the type of unit that is commonly replaced such as a 2010 Toyota Camry LE would be classified as a B unit; any unit over 70,000 miles will be classified as a C unit, such as a 2005 Sonata with 78,000 miles; and, a D unit would be slated for wholesale, rather than retail. For example, a 1998 GMC Jimmy with 143,000 miles would be classified as a D unit.

On the morning of the daily trade evaluation, an X is drawn on the driver's side window with a grease pencil. The unit classification, A-D, is placed in the top right section of the X, the second section contains the date, and clear, or waiting to fund, depending on the status. The bottom left half of the X contains the agreed upon sale price to sell the unit, and any notes regarding repairs that need to be made, such as tires, dent repair detail etc., are noted in the bottom right half of the X.

The steps below are instituted to ensure that any vehicles that are ultimately advertised for sale (a) have not been sold, (b) have been properly entered in inventory and logged correctly and (c) are correctly identified in any such advertisement.

1. When a vehicle is taken in trade by the dealership, the newly traded unit must be given a sequential stock number taken directly from the Manfredi dealership stores' Used Car Police Book (at time of delivery). These stock numbers will be cross checked when any vehicle is selected for advertising to ensure that no vehicle is advertised with an incorrect stock number.

2. A certified Odometer statement must be signed by the prior owner of the traded vehicle, or in the case of a lease buy out, the lease registrant may sign for the lease company.
3. A photo of the odometer must be taken and uploaded at time of delivery to Manfredi's inventory control tool, and a printed photo of the odometer is included in the deal packet.
4. An Accounting Department employee enters any newly traded vehicle into Manfredi's DMS Reynolds and Reynolds system at the time of billing by using the digital appraisal sheet and a photo taken directly from the inventory management system, to correctly document the mileage, color, drive type, and availability of the title and lien release.
5. The Sales Manager or Finance Manager enters all information into the DMS Reynolds & Reynolds system 4008 screen before any client who is trading in a vehicle takes delivery of their new or pre-owned car/truck.
6. A front and back copy of the title, lien release or payoff request, Car Fax report, and keys will be put in a separate deal jacket folder with the New Stock number written on the jacket, and the dealer jacket is delivered directly to the Used Car Manager. The Used Car Manager keeps all used car folders in a secure place and tracks the progress of the lien release through the Reynolds & Reynolds DMS 4008 Screen periodically in conjunction with the Accounting Department as set forth further hereinbelow.
7. Traded vehicles will not be offered for sale or advertised at any of the Manfredi dealership until the traded vehicle's lien has been perfected. The Used Car Manager places a Not for Retail Sale sticker on the window of any newly traded vehicle until it is confirmed that the lien has been perfected.
8. Employees have been trained to make entries in the DMS Reynolds & Reynolds 4008 inventory control screen regarding the status of the title and lien release in order to ensure that vehicle status can be checked before it is selected for sale. Example: no lien release, waiting on payoff 01/21, free and clear, dup title 01/23, etc.
9. The Accounting Department processes the Payoff of the vehicle (if applicable) and tracks the progress of the lien release.
10. The day the lien release is delivered to the Accounting Department, a copy is made, and given directly to the Used Car Manager to be filled - alerting him/her that the vehicle is now ready for retail sale.
11. Once the vehicle can be sold retail, a NY State Limited Warranty Buyers guide is filled out and both the guide and the sales price are affixed to the vehicle in a place that is

clearly visible to consumers. The sales price is also checked for consistency with any advertised price (i.e. Newspaper, Radio, TV, classified ads)

12. Policies have been introduced to ensure that all employees know where there pre-owned inventory is at all times by making proper entries into the DMS Reynolds and Reynolds 4008 inventory control screen in the location field, and employees have been trained to update all of their entries. When a unit is moved, entries are made in the location field to reflect the current location of the unit.

**Manfredi Auto Group Accounting Department**  
**Weekly Audit of MV50 Police Books and Plate books**

**Police Book Entries/Audits: Process and Procedures**

Manfredi has implemented the following practices to monitor and ensure the proper recording of information into their Police Book. These procedures will also address prior missing and/or incorrect entries. Manfredi has instituted these procedures to ensure that vehicles offered for sale are properly recorded in the Police Book, including the proper entry of odometer readings for all trade-in vehicles and wholesale purchases. As part of ensuring that entries are made properly, all entries are monitored and audited, and any incorrect entries are corrected.

1. Odometer readings photos are taken of all trade-ins.
2. For purchased units, odometer readings are recorded at the time of delivery of the vehicle by having them uploaded to an auto exchange inventory management control system, and entered into the Police Books.
3. Entries will be made in the appropriate Police Book with respect to all of the following information: stock number, odometer reading at the time of purchase, the car model and make, mileage, purchase date, date of sale, VIN numbers and buyer information as required by law.
4. The entries in the Police Book will be used to cross check any vehicle selected for advertising to ensure that the entries regarding the vehicle's odometer reading, description, mileage, and VIN matches the entries made in the Police Book.
5. The Accounting Department along with the General Manager will conduct a weekly audit of all Police Books, MV50's, Plate books, and used-car Police Books to double check and cross check entries, which consists of the following procedures:

- a. The Controller /office Manager pulls a record from the DMS accounting system Reynolds and Reynolds (6910) of all delivered, inventoried, and traded units from the prior week.
- b. Accompanied by the General Manager, the Controller/office Manager/or biller, reconciles the police books, MV50's, and Plate books to ensure accuracy, and compliance within the guidelines of New York State law.
- c. All inaccurate findings are fixed immediately, and discussed with the respective parties that have a duty to ensure that their employees in their departments know and are following procedures correctly, such as: Finance Managers, Swap Managers, General Sale's Managers, and Sales Managers.
- d. A summary report is compiled of the results and findings of the audit which is emailed, on the same business day the weekly audit is conducted, to Nick Manfredi, Anthony Nesnick, Joe (Corrado) Manfredi, and Yvonne Ferrante for review and comments.
- e. Due to the sensitive nature of the accuracy of all Police Books, MV50's, Plate books, all mistakes or failure to follow proper protocol are documented, and any employee who is found not to be following procedures is written up in a report. The reports are completed and signed by the Controller or General Manager, and stored in the permanent employee file for later disciplinary action and or termination.

#### **Manfredi's Action Plan Related to Advertisements**

Manfredi has implemented the following guidelines and practices to address advertising policies including the introduction in 2013 of a Policy & Procedure Manual prepared by Manfredi for New and Pre-owned inventory advertising, along with a company template for employees to use with respect to the entry of any vehicle that will be advertised. Manfredi has also begun to utilize an appraisal and inventory management tool in order to ensure the accuracy of all advertisements, including, but not limited to, ensuring the accuracy of DCA license numbers in such advertisements. In 2012, Manfredi introduced a company-wide Advertising Template for the purpose of making sure that the proper information relating to each vehicle is being used in any advertisement for such vehicle.

These policies will also ensure that that all advertised vehicles (a) are ready for retail sale, (b) have not been sold prior to the advertising date deadline (c) not advertised prior to their purchase. All advertisements are also verified for equipment, mileage, and availability - title in house, original lien release buyers guide etc.. Internally, each advertisement will be accompanied by a copy of the Advertising Template with a General Managers' signature on it.

The following procedures are performed before the submission of weekly advertisements.

1. Monday morning all New and Used Car Managers will prepare their template for the upcoming week's advertisements (template will be in the managers' folder on the shared drive).
2. Once it has been determined how many units will be advertised, the Sales Managers and Used Car Managers will inspect the units for accuracy and equipment. Once this step is complete, the appropriate manager will select the vehicles to be advertised.
3. The Sales Manager or Used Car Manager will verify that the dealership has all necessary documentation (and that any necessary information has been recorded in the Police Book) with respect to any vehicle that has been selected to be advertised – i.e. title in-house, original lien release, New York State Buyers guide, and proper stock number (from NY Police Book ).
4. After all relevant documentation has been verified, and it is confirmed that the unit selected for advertisement is available for retail sale, the Sales Manager will enter all of the necessary information into the Advertising Template to be faxed or emailed to the advertising agency for processing. A copy of the Advertising Template is annexed hereto as Exhibit \_\_\_\_\_. The Template contains entries for the following information: Stock No., Year, make, Model, Trim, Equipment, Mileage, Price, DCA license No., and a column listed as "Disclosure" for any other information that must be entered concerning the vehicle in accordance with all applicable laws.
5. Signed Advertising Templates will be kept in a safe place on site for future review or audit.
6. For all classified ads in newspaper and/or local papers, Manfredi will ensure that the proper DCA License number will appear in each such display or classified advertisement.
7. Manfredi will ensure that the official trade name is used in all advertising.
8. In the event that any of the Manfredi dealerships move from their respective location, Manfredi will take all necessary action to obtain a DCA license number for that particular location, and notify the advertiser of any new DCA license number.
9. The Sales Manager will be responsible to report and change all prices to match the advertised price of such a vehicle.
10. On Wednesday (for Friday ads) and Thursday (for Saturday and Sunday ads) the Sales Manager will open the Advertising Template in the managers folder, print out the template and verify that all units entered on the template are still available for sale, and to ensure that all sold units are replaced and removed from the advertisement for sale.

11. In the case of any sold units, the Sales Manager will contact the advertising agency to advise them as to which vehicle(s) has been sold and to have those units removed and replaced immediately from any pending advertisement.
12. All verified and replaced units must be signed off on a weekly basis by the appropriate General Manager.
13. In the case of any unit sold, if the advertising deadline to retract and/or cancel an advertisement has already passed, the advertising agency will be contacted, and a formal written letter of retraction will be created and placed in the showroom in a visible area. A copy of the retraction letter will then be stapled and kept with the signed Advertising Template for future review and audit.

# EXHIBIT 1

## EXHIBIT 1

# MANFREDI DEALERSHIPS EMPLOYEE COMPLIANCE GUIDELINES

These Guidelines are intended to be observed by all employees of Manfredi Cadillac, Inc. d/b/a Manfredi Hyundai; Manfredi Auto LLC d/b/a Manfredi Mitsubishi; SI Safe Auto, LLC d/b/a Manfredi Mazda; Manfredi Chevrolet, LLC; Manfredi Chrysler Jeep and Dodge LLC; Manfredi Motors Inc. d/b/a Staten Island Toyota (collectively, "Manfredi Dealerships"). Your conduct, when performed in the course of your employment, may be attributed to the Manfredi Dealerships, and in such case, the Manfredi Dealerships may be responsible for your conduct. Strict adherence to these Guidelines is a material condition of employment of all employees of the Manfredi Dealerships.

You must comply with, and not act in any way that violates, or contributes to a violation of the following:

1. The Consumer Protection Law, the License Enforcement Law (Section 20-101 et seq. of the Code); and
2. The Second-Hand Dealer Law (Section 20-264 et seq. of the Code).

Copies of these laws and regulations are attached to these Guidelines. These Guidelines shall include any amendments to these laws and regulations. You must also comply with, and not act in any way that violates, or contributes to a violation any future federal, state or city law which applies to the business conducted by the Manfredi Dealerships.

You must not represent in any manner, directly or by implication, to any consumer, that the Manfredi Dealerships are offering for sale any vehicle that had already been sold.

You must not represent in any manner, directly or by implication, to any consumer, that the Manfredi Dealerships are offering for sale any vehicle before it had been purchased.

You must not represent in any manner, directly or by implication, to any consumer, that the Manfredi Dealerships are offering for sale any vehicle that has not been not recorded in the Police Book.

You must not represent in any manner, directly or by implication, to any consumer, that the name of any of the Manfredi Dealerships is anything other than the official trade name.

If there is any reason for you to believe that information in an advertisement or the Police Book is inaccurate, misleading or improbable, you must notify management.

## EXHIBIT 2

## EXHIBIT 2

### USED CAR ADVERTISER GUIDELINES

These Guidelines are intended to be observed by all employees of Manfredi Cadillac, Inc. d/b/a Manfredi Hyundai; Manfredi Auto LLC d/b/a Manfredi Mitsubishi; SI Safe Auto, LLC d/b/a Manfredi Mazda; Manfredi Chevrolet, LLC; Manfredi Chrysler Jeep and Dodge LLC; Manfredi Motors Inc. d/b/a Staten Island Toyota (collectively, "Manfredi Dealerships"). As a party which may be or is involved in the development of advertising for the Manfredi Dealerships, the following guidelines are presented in order to ensure the Manfredi Dealerships comply with certain laws, rules and regulations of the City of New York, including the New York City Consumer Protection Law (Title 20, Chapter 5, Subchapter 1 of the Administrative Code of the City of New York), and implementing rules (Title 6 of the Rules of the City of New York):

All material terms, exclusions, reservations, limitations, modifications or conditions must be "clearly and conspicuously" disclosed – defined as readily apparent and understandable by an ordinary person and which complies with Sections 5-06 and 5-09 of Title 6 of the Rules of the City of New York. They must be in a type size at least one-third as high and one-third as broad as the largest print used in the advertisements. "Clearly and conspicuously" shall not be satisfied by referring the consumers to a website for a disclosure of material terms, exclusions, reservations, limitations, modifications of conditions made in any print, television or radio advertisements. Factors to be considered for this purpose include, but are not limited to, use of plain language, relative type size, font, color contrast, location within an advertisement, and proximity to the statement or representation to which it applies.

Footnotes or statements, alone or in combination, must not contradict or confuse a principal message or contain contradictory or ambiguous statements which could undercut the effectiveness of the principal message. All footnotes or statements shall be disclosed clearly and conspicuously.

Advertisements must include the DCA license number of the dealership.

Advertisements must not include or imply state or imply, directly or indirectly, that the dealership is named something other than the official trade name of the dealership.

Advertisements must not state or imply, directly or indirectly, that the Manfredi Dealerships are offering for sale any vehicles with certain features, terms or conditions that are not actually being offered for sale.

If there is any reason for you to believe that any information in an advertisement is inaccurate or misleading, you must notify management.