

THE CITY OF NEW YORK
OFFICE OF ADMINISTRATIVE TRIALS AND HEARINGS, TRIALS DIVISION

NYC DEPARTMENT OF CONSUMER
AND WORKER PROTECTION,

Petitioner,

v.

KINGS AUTOSHOW INC. d/b/a
BROOKLYN MITSUBISHI, KINGS
AUTOSHOW II INC. d/b/a BROOKLYN
MITSUBISHI PRE-OWNED, GRAND
AUTO GROUP LLC d/b/a BROOKLYN
VOLKSWAGEN, RUDY TREMINIO a/k/a
“EL PATRONN,” and CHARALAMBOS N.
CHARALAMBOUS

Respondents.

CONSENT ORDER

OATH Index No. 220774

License Nos. 1077788-DCA
1170293-DCA
2103193-DCA

The New York City Department of Consumer and Worker Protection (“DCWP” or the “Department”) and Kings Autoshow Inc. d/b/a Brooklyn Mitsubishi, Kings Autoshow II Inc. d/b/a Brooklyn Mitsubishi Pre-Owned (together with Kings Autoshow Inc., “Brooklyn Mitsubishi”), Grand Auto Group LLC d/b/a Brooklyn Volkswagen (“Brooklyn Volkswagen”, together with Brooklyn Mitsubishi, “Respondent Dealers”), and Charalambos N. Charalambous (collectively, “Respondents”) enter into this Consent Order (“CO”) to settle the above-captioned matter.

I. INTRODUCTION

1. DCWP is an agency of the City of New York with the duty and authority to administer and enforce violations of Title 20 of the New York City Administrative Code (“NYC Code”) and Title 6 of the Rules of the City of New York (“6 RCNY” or the “Rules”). DCWP has its principal place of business at 42 Broadway, New York, NY 10004.
2. Respondent Kings Autoshow Inc. d/b/a Brooklyn Mitsubishi is a New York domestic business corporation with its principal place of business at 5910 Church Avenue, Brooklyn, New York 11203. Kings Autoshow Inc. is owned by Charalambos N. Charalambous, registered with the New York Department of State under Registration No. 257736, and holds DCWP License No. 1077788-DCA.
3. Respondent Kings Autoshow II Inc. d/b/a Brooklyn Mitsubishi Pre-Owned is a New York domestic business corporation with its principal place of business at 5815 Church Ave, Brooklyn, New York 11203. Kings Autoshow II Inc. is owned by Charalambos N.

Charalambous, registered with the New York Department of State under Registration No. 3049930, and holds DCWP License No. 1170293-DCA.

4. Respondent Grand Auto Group LLC d/b/a Brooklyn Volkswagen is a New York domestic limited liability company with its principal place of business at 5226 Kings Highway, Brooklyn, New York 11234. Brooklyn Volkswagen is owned by Andreas Sylianou and Charalambos N. Charalambous, registered with the New York Department of State under Registration No. 5652518, and holds DCWP License No. 2103193-DCA.
5. Respondent Charalambos N. Charalambous is the President and an owner of Kings Autoshow Inc., Kings Autoshow II Inc., and the Secretary and owner of Grand Auto Group LLC, positions he has held since 2001, 2010, and 2019, respectively.
6. DCWP and Respondents enter into this CO and voluntarily agree to its terms and conditions. DCWP and Respondents are referred to collectively as the Parties or individually as a Party.
7. Each of the undersigned expressly warrants and represents that they have the full power, capacity, and authority to execute and deliver this CO on behalf of the Party indicated.
8. This CO shall be binding upon, enforceable against, and inure to the benefit of the Parties and their respective successors, assigns, heirs, executors and administrators, and upon any corporation, partnership or entity into or with which any Party may merge or consolidate.
9. Respondents acknowledge receipt of OATH Second Amended Petition No. 220774 (the "Petition"), dated June 13, 2022, that charges violations of the NYC Code and Rules.
10. Respondents plead guilty to all violations charged in the Petition.
11. Pursuant to 6 RCNY § 6-04 of the Rules, this CO shall have the force and effect of a final order of the DCWP Commissioner.
12. The Effective Date of this CO is the date on which both parties have signed this CO. This CO will remain in effect for six (6) years from the Effective Date.

II. CIVIL PENALTIES

13. Respondents shall pay a civil penalty of five hundred thousand dollars (\$500,000) to the Department according to the following schedule:
 - (i) \$50,000 within 30 days of the Effective Date;
 - (ii) \$50,000 within 60 days of the Effective Date;
 - (iii) \$200,000 by November 30, 2022; and
 - (iv) \$200,000 by April 30, 2023.
14. Payment shall be made by bank check(s), certified check(s), or money order(s), made payable to the New York City Department of Consumer and Worker Protection, and delivered to:

New York City Department of Consumer and Worker Protection
General Counsel Division
ATTN: Legal Operations Director
42 Broadway, 9th Floor
New York, NY 10004

15. All payments and all correspondence related to this CO must reference Petition No. 220774.

III. RESTITUTION

16. Within five (5) business days of the Effective Date, Respondents shall pay one hundred fifty-four thousand nine hundred and one dollars and 50 cents (\$154,901.50) to the Department to be distributed to the consumers in the amounts listed in Schedule G of the Petition. Any funds unclaimed for more than six months after notice from the Department shall revert to civil penalties.

17. Within five (5) business days of the Effective Date, Respondents shall pay one hundred fifty thousand dollars (\$150,000) to the Department to be held by the Department in a Consumer Restitution Fund (the “Fund”) and distributed to consumers named in the Petition or who file a claim with the Department within six (6) months of the Effective Date and demonstrate to the satisfaction of the Department that they are entitled to payment hereunder. Consumers listed in Schedule G of the Petition are not entitled to receive money from the Fund. The Department shall maintain complete discretion to allocate and distribute the Fund to eligible consumers.

18. Restitution payments shall be made in the manner described in ¶ 14 of this CO.

19. All monies remaining in the Fund after distribution to eligible consumers pursuant to ¶ 17 shall revert to the Department as civil penalties.

IV. LICENSE SUSPENSION

20. Kings Autoshow Inc. d/b/a Brooklyn Mitsubishi and Kings Autoshow II Inc. d/b/a Brooklyn Mitsubishi Pre-Owned will be suspended from July 3, 2022 to July 9, 2022. During this period, the dealerships will not sell or offer for sale or acquire for resale second-hand automobiles or accept second-hand automobiles in exchange for or for credit toward the purchase of a second-hand automobile or any other product or service. The dealerships are not required to discontinue or cease the dissemination of any advertisement(s).

V. COMPLIANCE WITH THE LAW

21. Respondents continue to be subject to the Department’s jurisdiction and shall comply fully with all applicable portions of the NYC Code, including the Consumer Protection Law, the Rules, and all other relevant city, state, and federal laws and regulations, without regard to any requirement delineated or not delineated in this CO. Where, however, the terms of this CO exceed other legal requirements, Respondents must comply with this CO.

VI. CONFESSION OF JUDGMENT

22. Kings Autoshow Inc., Kings Autoshow II Inc., Grand Auto Group LLC, and Charalambos N. Charalambos agree to execute confessions of judgment appended to this Consent Agreement as Exhibit A (“Confession of Judgment”).
23. If any payment due from Respondents under the terms of this Consent Agreement is more than thirty (30) days late or if any check issued by Respondents fails to clear deposit and such delinquency or failure of to clear deposit is not cured within five (5) business days of receiving written notice from DCWP, DCWP may file the Confession of Judgment in an appropriate court of competent jurisdiction, and all payments due and owing under this Consent Agreement shall be due immediately, and Respondent shall pay interest on the remaining balance at the rate of nine percent per annum from the legally applicable date.
24. Respondents waive all rights to appeal, contest or otherwise challenge the Confession of Judgment in any forum.

VII. SPECIFIC COMPLIANCE WITH THE LAW

6 RCNY § 2-103(i) Selling Vehicles for More than the Advertised Price

25. Respondents must comply with 6 RCNY § 2-103(i), which prohibits a second-hand automobile dealer from selling an automobile for more than the advertised price.
26. Respondents shall not add any reconditioning fees, preparation fees, or other dealer fees, except the DMV-approved \$175 documentation fee, to the advertised price of a vehicle.
27. For eighteen (18) months from the Effective Date, Respondent Dealers must submit to the Department, on the 7th of each month, VERIFI DMV Used Car Sales Reports showing the sales of used automobiles for the previous month. Within three days of receipt, the Department may request up to 10 bills of sale from each Respondent Dealers related to sales for the prior month. The bills of sale must be produced to the Department within 14 days of a request. If the 7th day of the month is a Saturday, Sunday, or national holiday, the dealers must submit the report on the next day that is not a Saturday, Sunday, or national holiday.

NYC Code § 20-268.1(b) Conditional sales contracts

28. Respondents must comply with NYC Code § 20-268.1(b), which prohibits conditional sales contracts.
29. The Respondents previously used, in connection with used car sales transactions, a form entitled: Limited Right to Cancel - Purchase (Spot Delivery), in violation of NYC Code § 20-268.1(b).

30. Respondents shall not use that form, or any other form, which renders the used automobile contract voidable, subject to modification, or otherwise not binding upon the dealer because of its inability or unwillingness to sell, assign, or otherwise transfer the contract to a third party after execution of the sales contract.

NYC Code § 20-700 Consumer Protection Law/Engaging in Deceptive Trade Practices

31. Respondents must comply with NYC Code § 20-700 with regards to all advertisements they publish, including their websites.
32. Respondents shall not use the language “No Dealer Fee”, “no dealer fee pricing” or similar language in any advertisements if the Respondents charge consumers a \$175 documentation fee.
33. Respondents shall not show savings by referencing a fabricated price standard, such as “Brooklyn MSRP” or “retail price”. Respondents must be able to substantiate any referenced price advertised on their website as a comparison price.
34. Respondents shall not use the language “Guaranteed Approval” or other similar language that guarantees financing regardless of credit.
35. Respondents shall accurately advertise a vehicles’ accessories. The accessories advertised in connection with a used vehicle must be the accessories for the actual vehicle for sale at the dealership.
36. Respondents shall not provide any documentation to a used-car consumer that states or suggests that the New York State Lemon Law (Gen. Bus. Law § 198-b) is the only warranty consumers receive under New York State law, as used vehicles are also subject to the Warranty of Serviceability under New York State Vehicle and Traffic Law § 417. Likewise, any warranty document provided to the consumer must not state that “it is not valid unless signed by the Dealer’s authorized Department Head and by the Purchaser” because consumers need not sign or keep a copy of any document in order to receive the protections afforded under New York State law.

VIII. STAFF COMPLIANCE AND TRAINING

37. Respondents must implement and disseminate policies and procedures to ensure compliance with the terms of this CO within twenty-one (21) days of the Effective Date. Upon written request of the Department, Respondents must produce such policies and procedures within fourteen (14) days of such written request.
38. Respondents must retain for one (1) year records sufficient to show that all relevant employees and representatives were made aware of the provisions of this CO and Respondents’ obligations hereunder, as well as the obligation to comply with all applicable local, state, and federal laws and regulations. Upon written request of the Department, Respondents must provide such records within fourteen (14) days of such written request.

39. Respondents must comply with all subpoenas and document requests issued to it by the Department, as provided by law.
40. Respondent must provide truthful, complete documents, information, evidence, and testimony in response to Department investigations and Department-issued subpoenas and document requests.
41. Unless otherwise released, Respondents continue to be bound by the terms of any prior agreement with the Department. If a prior agreement conflicts with this CO, the terms of this CO shall apply.
42. Respondents must accept, respond to, and attempt to resolve fully, all consumer complaints related to Respondents' business conduct within fourteen (14) days of receipt of those complaints from the Department or from the consumer. Upon written request of the Department, Respondents must produce records sufficient to show its compliance with this paragraph, within fourteen (14) days of such written request.

IX. RECORD-KEEPING REQUIREMENTS

43. Respondents shall continue to maintain records pursuant to NYC Code §§ 20-268.5 and 20-273 for a period of six years.
44. Any failure to produce records upon the Department's request shall be a violation of NYC Code §§ 20-268.5 and 20-273.

X. CONSEQUENCES OF BREACH

45. If Respondents breach one or more of the provisions of Sections II or III of this CO, the Department may void the CO and prosecute all potential violations arising from its investigation.
46. For a period of three (3) years from the Effective Date, if after notice and a hearing, Respondents are found to have breached one or more of the provisions in Sections IV, V, VI, VII, VIII, or IX of this CO, the Department may impose a penalty of \$500 per breach per 6 RCNY § 6-04, notwithstanding any other penalties due and owing resulting from Respondents' violation of applicable laws and rules. In addition to the \$500 penalty per breach and any other penalties due and owing resulting from Respondents' violation of applicable law and rules, upon the finding of a first breach, Respondent Dealers shall each serve a one (1) day suspension, upon the finding of a second breach, each shall serve a three (3) day suspension, upon the finding of a third breach, each shall serve a seven (7) day suspension, and upon the finding of a fourth breach, the Respondent Dealers' licenses shall be revoked.
47. Respondents' breach of any of the provisions of this CO requiring the production of documents shall constitute prima facie evidence that Respondents have failed to maintain

those documents and thus, have failed to comply with a local, state or federal law, rule, or regulation requiring that such documents be maintained.

XI. WAIVER OF APPEALS

48. This CO shall have the force and effect of a final order of the DCWP Commissioner and Respondents hereby expressly and irrevocably waives all right to any hearing, challenge, or appeal in any court or administrative body of any fact, issue, or matter covered by this CO, whether those rights arise under local, state, or federal law.

XII. NOTICES

49. Unless otherwise mandated by the terms of the CO, any notices, reports, or other written material required to be produced pursuant to this CO must be provided as follows:

By email: ConsentCompliance@dca.nyc.gov

By mail: New York City Department of Consumer and Worker Protection
General Counsel Division
Attn: Legal Operations Director
42 Broadway, 9th Fl
New York, NY 10004

By email:



By mail: Certilman Balin Adler & Hyman, LLP
Attn: Anthony W. Cummings
Joshua Feldman



XIII. RELEASE

50. Upon full execution of this CO and full payment by Respondents of all civil penalties and restitution mandated hereunder, the Department will release Respondents from all claims and potential claims arising out of the Petition. Upon full payment of all restitution mandated hereunder, the Department will withdraw, within 10 days of receipt of such payment, all charges in the Petition against Rudy Treminio. Respondents shall be obligated to comply with all remaining terms and conditions pending the end of the term of this CO. The release does not cover any potential claims unrelated to the Petition or for breaches of this CO.
51. This release covers the claims, and potential claims, of the Department only, and may not be construed to limit, in any way, the rights of any third party to bring claims, file actions, or otherwise exercise a legal right by suing in a court of competent jurisdiction. Decisions or judgments obtained by individual consumers in prior legal actions remain in full effect.

XIV. MISCELLANEOUS

52. This CO does not constitute an approval of any of Respondents' business practices, and Respondents are prohibited from making any representation to the contrary.
53. The provisions of this CO shall be construed in accordance with the laws of the State of New York.
54. If any provision of this CO or the application thereof is held invalid, the invalidity shall not affect other provisions or applications of the CO which can be given effect without the invalid provisions or applications and to this end the provisions of this CO are declared to be severable.
55. Any failure by the Department to insist upon the strict performance by Respondents of any provision(s) of this CO shall not be deemed a waiver of such provision(s), or any other provision of the CO, and shall not limit the Department's right to enforce any provision of this CO in the future.
56. Nothing in this CO shall be construed as relieving Respondents of their duty to comply with all applicable local, state, and federal laws.
57. This CO, together with its specified attachments, contains the entire agreement and understanding among the parties hereto with respect to the subject matter of the CO, and supersedes all prior and contemporaneous agreements, understandings, inducements, and conditions, express or implied, oral or written, of any nature whatsoever with respect to the same subject matter. The express terms of this CO control and supersede any course of performance or dealings inconsistent with its terms.
58. Except as expressly provided herein, this CO does not bar or limit in any way the authority of the Department to exercise its investigative and enforcement powers under any law or rule within the Department's jurisdiction.
59. Respondents have read this CO carefully, understand each of its terms and conditions, and agree to be bound by the same. Respondents have sought independent legal counsel to the extent Respondents deemed such advice was necessary in connection with the review and execution of this CO.
60. This CO may be executed in one or more counterparts, each of which shall be deemed an original, and which together shall constitute one and the same instrument. Signed signature pages may be transmitted by email, and any such signature shall have the same legal effect as an original.

Accepted for:
Vilda Vera Mayuga, Commissioner
New York City Department of Consumer
and Worker Protection

Accepted for:
Kings Autoshow Inc., Kings Autoshow II
Inc., Grand Auto Group LLC, Charalambos
N. Charalambous



06/28/2022

Date

Matthew S. Mansfield, Esq.
42 Broadway, 9th Floor
New York, NY 10004
mmansfield@dcwp.nyc.gov
(212) 436-0147



6/28/2022

Date

Joshua Feldman, Esq.
Anthony Cummings, Esq.
Certilman Balin Adler & Hyman, LLP

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