ATTORNEY GENERAL OF THE STATE OF NEW YORK CIVIL RIGHTS BUREAU

In the Matter of

Assurance No. 25-013

Investigation by LETITIA JAMES, Attorney General of the State of New York, of

KNG Corp, d/b/a Super 4 Seasons Car Wash,

Respondent.

ASSURANCE OF DISCONTINUANCE

The Office of the Attorney General of the State of New York ("OAG") commenced an investigation pursuant to New York Executive Law § 63(12) to determine whether KNG Car Wash Corp d/b/a Super 4 Season Car Wash ("Respondent") engaged in unlawful religious discrimination in violation of New York Civil Rights Law § 40-c and N.Y. Exec. Law § 296(2), and deceptive business practices in violation of New York General Business Law §§ 349 and 350, by offering a so-called "Passover Holiday Special" car wash price to certain customers. This Assurance of Discontinuance ("Assurance") contains the findings of the OAG's investigation and the relief agreed to by the OAG and Respondent Company whether acting through its respective directors, officers, employees, representatives, agents, affiliates, or subsidiaries (collectively, the "Parties").

OAG's FINDINGS

OAG Finds that:

 Respondent offers car wash services in Rockland County at 68 NY-59, Spring Valley, NY 10977.

- 2. In April 2024, Respondent promoted a "Holiday Special" car wash in conjunction with the Jewish holiday of Passover.
- 3. The words "Passover" and "Holiday" were used prominently in Respondent's advertisements of this so-called "special" service.
- 4. The promotion was advertised to last from April 1 to April 23, 2024, just after Passover began at sundown on April 22, 2024.
- 5. The so-called "special" service started at \$169.99, more than three times the cost of its standard interior cleaning service, starting at \$47.
- 6. At least one of the Passover "special" advertisements promoted it as a "better cleaning."
- 7. This advertisement described the Passover "special" as a "complete interior clean with air blow," "no shampoo," and "better cleaning."
- 8. Respondent, through an employee, explained to a potential customer that the Passover cleaning is a "very thorough wipe down of the doors, windows, rims, tire shine, vacuum," while the standard cleaning included the same services such as an "extreme vacuum" of the interior, "complete interior wiped down," and other services.
- 9. The higher Passover price point did not reflect a change in services from the lower priced standard interior cleaning services, as the cleaning services obtained through the Passover "special" did not differ in significant ways from the services one could obtain through Respondents' standard cleaning service.
- 10. Respondent, through its employees, offered customers who presented as visibly Jewish at the car wash the higher Passover cleaning prices, while Respondent offered customers who did not present as visibly Jewish the regular cleaning prices.

- 11. Respondent, through its employees, informed certain customers who presented as visibly Jewish that standard cleaning service options were not available during the time the Passover Holiday Special was on sale, even though Respondent continued to sell its standard cleaning service options during that time.
- 12. Respondent advertised on a printed sign "Only Passover Packages & Up" and that "Flex interior cleaning is not available during this period" from April 1 to April 23, 2024, even though on April 21, 2024, it sold approximately 19 "V.I.P" interior cleaning services, 1 "Lava Flex" interior cleaning service, 3 "Silver Flex" interior cleaning services, 9 "Vapor Steam" interior cleaning services, and 7 "basic regular" interior cleaning services.
- 13. Respondent's "special" appears designed to exploit the Orthodox Jewish religious practice of cleaning one's car before Passover.
 - 14. Respondent has sold a Passover "special" car wash service since at least 2018.
- 15. Respondent was unresponsive to OAG outreach via letters in 2021 alerting it to a consumer complaint OAG received regarding Respondent's practice of selling a higher-priced "Passover" special.
- 16. In 2022, Respondent appears to have sold 117 "Passover" car wash services leading up to Passover, totaling at least \$14,810.00 in sales.
- 17. In 2023, Respondent appears to have sold 79 "Passover" car wash services leading up to Passover totaling at least \$12,292.50 in sales.
- 18. In 2024, Respondent appears to have sold 55 "Passover" car wash services leading up to Passover, totaling at least \$8,416.92 in sales.
- 19. Respondent has discriminated against Jewish customers by charging them more than other customers for the same car wash cleaning service.

- 20. Respondent's targeting of the Jewish community with a so-called "Passover Holiday Special" car wash violates New York Civil Rights Law § 40-c, New York Executive Law § 296(2), and New York General Business Law §§ 349 and 350.
- 21. Based on a review of evidence and the foregoing facts in paragraphs 16–18, Respondent is liable for at least \$35,519.42 in disgorgement for 251 "Passover" car wash service sales during March and April of 2022–2024.
- 22. Based on the foregoing facts, Respondent is liable for statutory fines under New York Civil Rights Law § 40-d of up to \$500 for each of the approximately 251 violations identified in paragraphs 16–18, totaling up to approximately \$125,500.
- 23. Respondent could be penalized for up to \$161,019.42 for the foregoing violations discussed in paragraphs 21–22, but is willing to agree to a suspended monetary judgment provided Respondent agrees not to engage, or attempt to engage, in conduct in violation of any applicable laws, including but not limited to (1) advertising, promoting, offering, or selling a car wash service within 60 days before and during the entire period of Passover using the words "Passover," "Holiday," or any other phrase suggesting a special or separate pricing scheme in connection with religious holidays; (2) offering or selling a car wash to Jewish customers or those it perceives to be Jewish at a higher price than what is offered to non-Jewish customers for the same services; or (3) changing its service offerings or pricing within 60 days before and during the entire period of Passover.
 - 24. Respondent does not contest the OAG's Findings, paragraphs 1–23 above.
- 25. Respondent has agreed to this Assurance in settlement of the violations described above and to avoid the time, expense, and distraction of litigation.

26. The relief and agreements contained in this Assurance are appropriate and in the public interest. THEREFORE, OAG is willing to accept this Assurance pursuant to Executive Law § 63(15), in lieu of commencing a statutory proceeding for violations of New York Civil Rights Law § 40-c, New York Exec. Law § 296(2), and New York General Business Law §§ 349 and 350 based on the conduct described above from March 2022 through April 2024.

IT IS HEREBY UNDERSTOOD AND AGREED, by and between the Parties:

RELIEF

- 27. General Injunction: Respondent shall not engage, or attempt to engage, in conduct in violation of any applicable laws, including but not limited to (1) advertising, promoting, offering, or selling a car wash service within 60 days before and during the entire period of Passover, using the words "Passover," "Holiday," or any other phrase suggesting a special or separate pricing scheme in connection with religious holidays; (2) offering or selling a car wash to Jewish customers or those it perceives to be Jewish at a higher price than what is offered to non-Jewish customers for the same services; or (3) changing its service offerings or pricing within 60 days before and during the entire period of Passover. Respondent expressly agrees and acknowledges that any such conduct is a violation of the Assurance, and that the OAG thereafter may commence the civil action or proceeding contemplated in paragraph 23, *supra*, in addition to any other appropriate investigation, action, or proceeding.
- 28. <u>Suspended Judgment</u>: Respondent agrees to a suspended monetary penalty of \$75,000. After three years from the effective date of this Assurance, Respondent shall provide a certification of compliance to the OAG. If OAG certifies within its sole discretion that Respondent has been in compliance with the agreement for three years, OAG will not seek payment of this penalty. OAG will not unreasonably withhold certification of Respondent's

compliance. Respondent expressly agrees and acknowledges that OAG may seek immediate and full payment of the monetary penalty on 30 days' notice to Respondent that Respondent has defaulted on or violated this Assurance.

MISCELLANEOUS

Subsequent Proceedings.

- 29. Respondent expressly agrees and acknowledges that the OAG may initiate a subsequent investigation, civil action, or proceeding to enforce this Assurance, for violations of the Assurance, or if the Assurance is voided pursuant to paragraph 30, and agrees and acknowledges that in such event:
 - a. any statute of limitations or other time-related defenses are tolled from and after the effective date of this Assurance;
 - b. the OAG may use statements, documents or other materials produced or provided by the Respondent prior to or after the effective date of this Assurance;
 - c. any civil action or proceeding must be adjudicated by the courts of the State of New York, and that Respondent irrevocably and unconditionally waives any objection based upon personal jurisdiction, inconvenient forum, or venue.
 - d. evidence of a violation of this Assurance shall constitute prima facie proof of a violation of the applicable law pursuant to Executive Law § 63(15).
- 30. If a court of competent jurisdiction determines that the Respondent has violated the Assurance, the Respondent shall pay to the OAG the reasonable cost, if any, of obtaining such determination and of enforcing this Assurance, including without limitation legal fees, expenses, and court costs.

Effects of Assurance:

- 31. This Assurance is not intended for use by any third party in any other proceeding.
- 32. This Assurance is not intended, and should not be construed, as an admission of liability by the Respondent.
- 33. All terms and conditions of this Assurance shall continue in full force and effect on any successor, assignee, or transferee of the Respondent. Respondent shall include any such successor, assignment or transfer agreement a provision that binds the successor, assignee or transferee to the terms of the Assurance. No party may assign, delegate, or otherwise transfer any of its rights or obligations under this Assurance without the prior written consent of the OAG.
- 34. Nothing contained herein shall be construed as to deprive any person of any private right under the law.
- 35. Any failure by the OAG to insist upon the strict performance by Respondent of any of the provisions of this Assurance shall not be deemed a waiver of any of the provisions hereof, and the OAG, 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:

36. All notices, reports, requests, and other communications pursuant to this Assurance must reference Assurance No. 25-013, 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, followed by postage prepaid mail, and shall be addressed as follows:

If to the Respondent, to: Klever Kevin Guaman or in their absence, to the person holding the title of Owner or President.

If to the OAG, to: Rick Sawyer, Section Chief, or in their absence, to the person holding the title of Bureau Chief, Civil Rights Bureau (currently, Sandra Park).

Representations and Warranties:

- 37. The OAG has agreed to the terms of this Assurance based on, among other things, the representations made to the OAG by the Respondent and their counsel and the OAG's own factual investigation as set forth in Findings, paragraphs (1)-(26) above. The Respondent 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 Respondent or its counsel are later found to be inaccurate or misleading, this Assurance is voidable by the OAG in its sole discretion.
- 38. No representation, inducement, promise, understanding, condition, or warranty not set forth in this Assurance has been made to or relied upon by the Respondent in agreeing to this Assurance.
- 39. The Respondent represents and warrants, through the signatures below, that the terms and conditions of this Assurance are duly approved. Respondent further represents and warrants that KNG Corp., by Klever Kevin Guaman, as the signatory to this AOD, is a duly authorized officer acting at the direction of the Board of Directors of KNG Corp.

General Principles:

40. Unless a term limit for compliance is otherwise specified within this Assurance, the Respondent's obligations under this Assurance are enduring. Nothing in this Agreement

shall relieve Respondent of other obligations imposed by any applicable state or federal law or regulation or other applicable law.

- 41. Respondent shall not in any manner discriminate or retaliate against any of its employees, including but not limited to employees who cooperated or are perceived to have cooperated with the investigation of this matter or any future investigation related to enforcing this agreement.
- 42. Respondent agrees not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any finding in the Assurance or creating the impression that the Assurance is without legal or factual basis.
- 43. Nothing contained herein shall be construed to limit the remedies available to the OAG in the event that the Respondent violates the Assurance after its effective date.
- 44. This Assurance may not be amended except by an instrument in writing signed on behalf of the Parties to this Assurance.
- 45. In the event that 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.
- 46. Respondent acknowledges that they have entered this Assurance freely and voluntarily and upon due deliberation with the advice of counsel.
- 47. This Assurance shall be governed by the laws of the State of New York without regard to any conflict of laws principles.
- 48. 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.

- 49. This Assurance may be executed in multiple counterparts by the parties hereto. All counterparts so executed shall constitute one agreement binding upon all parties, notwithstanding that all parties are not signatories to the original or the same counterpart. Each counterpart shall be deemed an original to this Assurance, all of which shall constitute one agreement to be valid as of the effective date of this Assurance. For purposes of this Assurance, copies of signatures shall be treated the same as originals. Documents executed, scanned and transmitted electronically and electronic signatures shall be deemed original signatures for purposes of this Assurance and all matters related thereto, with such scanned and electronic signatures having the same legal effect as original signatures.
 - 50. The effective date of this Assurance shall be March 20, 2025.

LETITIA JAMES

Attorney General of the State of New York

28 Liberty Street

New York, NY 10005

Rick Sawye

Section Chief, Civil Rights Bureau

KNG Corp., d/b/a Super 4 Seasons Car Wash

COUNTY OF ROCKLAND) ss.

On the 27th day of _M wch__ in the year 2025 before me personally came [Klever Kevin Guaman] to me known, who, being by me duly sworn, did depose and say that he/she/they reside(s) in _N ANUFT, N Y _____ that he/she/they is President and Owner of KNG Corp., the corporation described in and which executed the above instrument; that he/she/they know(s) the seal of said corporation that the seal affixed to said instrument is such corporate and; that it was so affixed by authority of the board of directors of said corporation, and that he/she/they signed his/her/their names(s) thereto by like authority.

Sworn to before me this

27th day of MARCH, 2025

NOTARY PUBLIC ALVIN L. SPITZER

NOTARY PUBLIC-STATE OF NEW YORK
NO: 925P6326374
Qualified in Rockland County
My Esmmission Expires June 15, 2026

ALVIN L. SPITZER

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