

OFFICE OF THE ATTORNEY GENERAL
OF THE STATE OF NEW YORK
LABOR AND CIVIL RIGHTS BUREAUS

IN THE MATTER OF THE INVESTIGATION OF
ANDREW M. CUOMO, ATTORNEY GENERAL OF
THE STATE OF NEW YORK,

AOD No. 09-132

OF

DREAMLAND AMUSEMENTS INC.; TOY CIRCUS,
INC.; CROSSROADS TRUCKING CORP.; ROBERT F.
DESTEFANO, JR.; and KATHRYN L. DESTEFANO.

ASSURANCE OF DISCONTINUANCE

In May 2008, the Office of Attorney General of the State of New York (“OAG”) began to investigate, pursuant to New York Executive Law § 63(12), certain employment and housing practices of Dreamland Amusements Inc., Crossroads Trucking Corp. and Toy Circus, Inc. (“the Dreamland companies”) and their owners and operators Robert F. DeStefano, Jr. and Kathryn L. DeStefano (“the DeStefanos”).

Specifically, the OAG investigated whether the Dreamland companies and the DeStefanos (collectively “Dreamland”) (1) made false representations to the New York State Department of Labor (“NYSDOL”) about the wages paid to and hours worked by Dreamland employees in order to obtain authorization to employ foreign nationals under the H-2B program for temporary work visas, in violation of the New York Executive Law § 63(12); (2) paid employees below their promised and minimum wages required by the federal and state wage and hour laws and regulations in violation of Article 6 (regarding payment of wages) and Article 19 (Minimum Wage

Act) of the New York Labor Law; New York Codes, Rules, and Regulations (“N.Y.C.R.R.”), as amended, Title 12, Chapter II, Subchapter B, Part 142 (Minimum Wage Order for miscellaneous industries and occupations) the Fair Labor Standards Act, 29 U.S.C. § 201 *et seq.*; and (3) subjected employees from Mexico, hired by Dreamland on a seasonal basis as employees under the H-2B visa program, (“H-2B employees”) to disparate treatment in housing and other working conditions in violation of Title VII, 42 U.S.C. §§ 2000e *et seq.*; the New York State Human Rights Law, Executive Law §§ 290 *et seq.*; the New York City Human Rights Law, New York Administrative Code §§ 8-101 *et seq.*; and 10 N.Y.C.R.R. Subpart 7-3 (State Sanitary Code campground regulations).

This Assurance of Discontinuance (“Assurance”) contains the OAG’s Findings in connection with its investigation of Dreamland and the relief agreed to by the OAG and Dreamland (“the parties”).

FINDINGS

Introduction and Background

1. Dreamland Amusements, Inc., Toy Circus, Inc., and Crossroads Trucking Corp. are under common ownership and control, with a common purpose as a carnival operator providing amusement activities such as rides, games, and concession stands in temporary locations in New York and other states throughout the East Coast.
2. The Dreamland companies operate in whole (i.e. Toy Circus, Inc. and Crossroads Trucking Corp.) or in part (i.e. Dreamland Amusements, Inc.) at 2 Olympia Lane, Stony Brook, New York 11790, and generate over \$500,000 in revenue per year.
3. During the entire period of the Dreamland companies’ operation, they have been jointly owned, operated, and controlled by Kathryn L. DeStefano and Robert F. DeStefano, Jr.

4. Since its operations began in 2003, Dreamland has operated for at least nine months per year, typically moving from venue to venue after operating one or two carnivals for a one or two week period in each location.
5. One-third to one-half of Dreamland's operating season since at least March 2007 has taken place in New York State, including but not limited to, Essex County Fair, Herricks, Hoosick Falls, Glen Cove, Gouverneur, Farmingdale, Farmingville, Lake Grove, Levittown, Manhattan, Massapequa, Nanuet, New Rochelle, Newburgh, Patchogue, Roosevelt Fields Mall, Smithhaven Mall, South Shore Mall, Staten Island, Ulster County, Verplank, and Yorktown Heights.
6. From the 2003 through the 2008 seasons, Dreamland has participated in the H-2B program, which allows employers in the United States to hire foreign workers for seasonal and temporary non-agricultural jobs for periods not to exceed one year. To protect U.S. workers, employers must first obtain a labor certification. Labor certification is a determination by the United States Department of Labor ("DOL"), in conjunction with the appropriate State Workforce Agency ("SWA"), that hiring foreign nationals will not displace U.S. workers or depress local wages and working conditions. The SWA for carnivals operating on the East Coast is the New York State Department of Labor ("NYSDOL").
7. Since 2003, Dreamland employed H-2B employees as ride operators, carnival laborers, and/or amusement attendants, the primary duties of which include unpacking and assembling rides upon arrival at a new venue, testing rides, maintaining the fair grounds and equipment before and after fair hours, operating rides while the fair is in operation, disassembling the rides and packing them into commercial vehicles after the fair is

complete, and traveling to Dreamland's next fair venue. In 2007 and 2008, Dreamland employed at least seventy-five (75) employees each season, up to a third of whom were H-2B employees from Mexico.

Misrepresentations in Government Applications

8. From 2003 through 2007, the Dreamland companies, through the DeStefanos, submitted Applications for Alien Employment Certification (referred to as "ETA 750s") to the Alien Employment Certification Office of the NYSDOL, which determined that Dreamland's promised rate of pay was no lower than the prevailing wage in the geographic area, and transmitted the ETA 750s to the United States Department of Labor ("USDOL") to certify that Dreamland's temporary employment of H-2B foreign nationals for the 2003 through 2008 seasons would not have an adverse effect on local labor markets ("labor certification").
9. After obtaining labor certification, Dreamland applied for and obtained authorization from United States Customs and Immigration Service ("USCIS") to employ H-2B employees. In 2007 and 2008 seasons, respectively, Dreamland employed approximately 32 and 22 H-2B employees. The Dreamland applications for H-2B visas for the 2007 and 2008 seasons, which were signed and certified by Robert F. DeStefano, Jr. and by Kathryn L. DeStefano, contained inaccuracies regarding the terms and conditions of employment for Dreamland employees including:
 - a. "[t]he wage offered equals or exceeds the prevailing wage and . . . the wage paid to the alien when the alien begins work will equal or exceed the prevailing wage which is applicable at the time the alien begins work;"

- b. “[t]he job does not involve unlawful discrimination by race, . . . color, national origin . . . or citizenship;” and,
 - c. “[t]he job opportunity’s terms, conditions and occupational environment are not contrary to Federal, State or local law.”
10. Dreamland’s ETA 750s for the 2007 and 2008 seasons also included promises to pay ride operators no less than a prevailing wage that was above the state and federal minimum wage. Dreamland’s ETA 750 for the 2007 season stated that Dreamland ride operators would earn \$8.61 per hour and work a regular 40 hour work week, and its ETA 750 for the 2008 season stated that Dreamland ride operators would earn \$8.13 per regular hour and \$12.20 per overtime hour.

Failure to Pay Minimum and Promised Wages, Keep Records, and Provide Postings

11. Contrary to the representations of Dreamland in the ETA 750s, Dreamland’s employees routinely worked up to fifty-five (55) hours a week, and up to eighty (80) hours per week during some weeks. Dreamland failed to pay its employees any overtime wages required by law and promised by Dreamland to the government in order to obtain authorization to hire H-2B employees.
12. The typical wage paid to seasonal workers in the 2007 and 2008 seasons, both national and H-2B employees, ranged from \$275 to \$350 per week, regardless of the actual hours the employees worked. For the average 2007 and 2008 ride operator this amounted to less than \$5.00 per hour with no overtime premium, which is lower than required under federal and state minimum wage and overtime laws, and substantially lower than the prevailing wages guaranteed by Dreamland in the ETA 750s.

13. Dreamland also failed to keep employee-specific records documenting, *inter alia*, actual hours worked in each week, in violation of New York Labor Law § 661 and 12 N.Y.C.R.R. § 142-2.6, and failed to furnish statements with pay and hour information to its employees, in violation of 12 N.Y.C.R.R. § 142-2.7.
14. In addition, Dreamland failed to post any notice summarizing the employee's rights in a conspicuous place at the workplace in violation of 12 N.Y.C.R.R. § 142-2.8, thereby depriving employees of any information or understanding of their rights under federal and state minimum wage and overtime laws.

Unsanitary Housing

15. The majority of Dreamland's employees have resided in trailers owned, controlled, and/or operated by Dreamland as housing for its workforce. During the 2007 and 2008 seasons, Dreamland assigned employees to overcrowded and substandard trailers, which have had unhygienic showers and infestations of cockroaches and bedbugs that, despite complaints from employees to supervisors, Dreamland did not remedy.
16. Dreamland did not designate a person in charge of maintaining the housing for employees and post that person's telephone number in a conspicuous place in case of emergency, in violation of 10 N.Y.C.R.R. § 7-3.4.
17. Dreamland failed to control insect and rodent infestations in its employees' housing despite complaints from employees to supervisors in violation of 10 N.Y.C.R.R. § 7-3.18.
18. Dreamland failed to maintain showers in a sanitary condition despite complaints from employees to supervisors in violation of 10 N.Y.C.R.R. § 7-3.16.
19. Dreamland subjected its employees to unsafe housing conditions despite complaints from employees to supervisors in violation of New York Real Property Law § 235-b(1).

Disparate Treatment of H-2B Employees

20. Since at least March 2007, Dreamland's H-2B employees have been exclusively Latinos from Mexico. Dreamland's workforce is otherwise comprised of predominantly White United States nationals. Dreamland supervisors assigned H-2B employees to trailers that lacked basic sanitary facilities and were often infested with insects, resulting in H-2B employees suffering from painful bites and rashes. Further, Dreamland supervisors subjected H-2B employees to verbal harassment that White employees who are United States nationals were not subject to.
21. H-2B employees were also often assigned to loading and unloading equipment and working from heights without any safety equipment and during inclement weather without rain-proof clothing, resulting in lacerations and inflammation of the joints.

PROSPECTIVE RELIEF

WHEREAS, Executive Law § 63(12); the New York State Labor Law, as amended, Article 6 (Payment of Wages), §§ 190 *et seq.* and Article 19 (Minimum Wage Act), §§ 650 *et seq.*; New York Codes, Rules, and Regulations, as amended, Title 12, Chapter II, Subchapter B, Part 142; Fair Labor Standards Act of 1938, as amended, 29 U.S.C. §§ 201 *et seq.* (collectively "Wage and Hour Laws"); Title VII, 42 U.S.C. §§ 2000e *et seq.*; the New York State Human Rights Law, Executive Law §§ 290 *et seq.*; the New York City Human Rights Law, New York Administrative Code §§ 8-101 *et seq.*; and 10 N.Y.C.R.R. Subpart 7-3 (State Sanitary Code campground regulations), require, *inter alia*, (1) accurate representations to state agencies regarding the employment practices of companies doing business in New York State; (2) recordkeeping of

wages paid for hours worked; (3) payment of promised wages, minimum wages and overtime compensation; (4) equal treatment regardless of national origin, color, citizenship and race; (5) sanitary living accommodations; and (6) provide other rights to eligible employees and remedies for failure to comply therewith.

WHEREAS, the OAG's investigation included affidavits filed with the OAG by Dreamland employees, surveillance of Dreamland's employment practices, information received from the New York State and United States governments, documentary evidence produced by Dreamland and the DeStefanos in response to OAG's subpoenas *duces tecum*, and testimony provided by Dreamland and the DeStefanos pursuant to OAG's subpoenas *ad testificandum*, and revealed that Dreamland and the DeStefanos have violated the aforementioned laws and regulations;

WHEREAS, Dreamland neither admits nor denies the OAG's Findings (1) – (21);

WHEREAS, the OAG is willing to accept the terms of this Assurance pursuant to New York Executive Law § 63(15) and to discontinue its investigation of Dreamland; and

WHEREAS, the parties believe that the obligations imposed by this Assurance are prudent and appropriate;

IT IS HEREBY UNDERSTOOD AND AGREED, by and between Dreamland and the OAG, as follows:

Entities Bound By Assurance

22. This Assurance binds the Dreamland, their principals, directors, beneficial owners, officers, shareholders, successors, assigns, "d/b/a" companies, and any other business entities whom any such individuals may hereafter form or control.

Compliance with State and Federal Laws Governing Employment Practices

23. Dreamland hereby acknowledges that they have read, understand the requirements of, and will abide by all applicable federal, state and local laws, including but not limited to the Fair Labor Standards Act, New York Labor Law, New York Codes, Rules, and Regulations, Title 12, the H-2B visa program, Title VII, New York State Human Rights Law, New York City Human Rights Law, and the State Sanitary Code. Specifically, Dreamland will:

- a. comply with all representations made by them to government agencies regarding their employment practices, including payment of prevailing wage and overtime, non-discrimination, and adherence to federal, state, and local laws;
- b. pay all employees the minimum wage and overtime wages, if any, required by law;
- c. establish one day of rest per week in which Dreamland employees are not required to work;
- d. maintain all employee-specific payroll records, including hours and actual pay, required by law;
- e. furnish pay statements to Dreamland employees;
- f. comply with applicable safety and health standards required by law;
- g. post in a conspicuous place at the worksite all notices regarding the rights of employees, in English and Spanish, including non-discrimination and the federal and state minimum wages, required by law;
- h. maintain sanitary housing for their employees; and
- i. refrain from engaging in any unlawful discrimination against any employee on the bases of race, color, citizenship, national origin, or any other protected basis.

Accurate Representations to the Government

24. Dreamland agrees to accurately represent to all government agencies (1) the wages it will pay its employees; (2) the regular workweek of its employees for that season; and (3) the wages actually paid and hours actually worked by its employees. Dreamland's representations apply to all communications with government agencies, including in communications necessary to obtain authorization to hire foreign nationals with temporary work visas ("temporary visa holders"), such as H-2B visas, and to adhere to all certifications made by Dreamland to government agencies. Dreamland agrees to provide the following notice to its United States and temporary visa holder workforce:

- a. Notice to United States Workforce: Dreamland agrees that any of its advertisements seeking employees from within the United States will provide accurate terms and conditions of employment, including the position title and responsibilities, the work term, hourly wages, the hours per week, and total weeks in the season, and will be consistent with Dreamland's representations to government agencies in its labor certifications in obtaining authorization to hire non-immigrants.
- b. Notice to Temporary Visa Holders: Dreamland agrees to provide written bilingual (English and the primary language of the country from which labor is recruited) notice to all Dreamland employees who are temporary visa holders prior to their departure to the United States in advance of the work term that states accurately Dreamland's (a) name and address; (b) terms and conditions of employment, including the position title and responsibilities, the work term, salary per hour, the

hours per week, total weeks in the season, any bonuses or deductions, whether Dreamland reimburses temporary visa holders for expense in arriving in and departing from the U.S., and the housing conditions offered to employees; and (c) Dreamland's nondiscrimination policy, including but not limited to temporary visa holders' right to non-confiscation of identity and authorization documents as set forth in paragraph 32 of the Assurance.

Compliance with Wage and Hour Law

25. Dreamland agrees to furnish to each employee a statement with every payment of wages, listing hours worked, rates paid, and gross wages, allowances, if any, claimed as part of the minimum or promised wages, as required by 12 N.Y.C.R.R. § 142-2.7, and to maintain all payroll and time records required by New York Labor Law §§ 661, 195, 661 and 12 N.Y.C.R.R. § 142-2.6 for a period of at least six years at the workplace, whether Dreamland is operating inside or outside of New York State. Such required records include, among other things, records of employees' names and addresses, number of hours worked daily and weekly, wage rates, gross wages, and net wages paid. Further provided that Dreamland shall maintain records sufficient to determine whether Dreamland is required to pay minimum wages and overtime wages, if due, under the Fair Labor Standard Act, 29 U.S.C. § 201 *et seq.*
26. Dreamland agrees to pay all due wages on a weekly basis to every employee who is a manual worker, including but not limited to ride operators, as required by New York Labor Law § 191(1)(a)(i). Payments shall include all minimum wages due and overtime wages, if due, including but not limited to an additional hour of pay at the New York State minimum

wage for days in which employees work more than ten (10) hours pursuant to 12 N.Y.C.R.R. § 142-2.4.

27. Dreamland agrees that all persons who are offered or permitted by Dreamland to perform work for Dreamland are employees of Dreamland, and must be afforded all rights and privileges as set forth in this Assurance for Dreamland employees. Further, Dreamland agrees that it shall not knowingly permit any person or entity which violates the laws set forth in this Assurance regarding the treatment of employees to operate in Dreamland carnivals.

Sanitary Housing for Employees

28. Dreamland agrees to designate a person or persons in charge of all housing for Dreamland employees, and to conspicuously post in each employee residence the name and telephone number of such individual(s). Dreamland agrees that no more than the manufacturer-recommended number of persons shall be permitted to reside in vehicles owned or operated by Dreamland for the purposes of lodging employees. Dreamland agrees to take reasonable measures to prevent the infestation of insects and rodents in lodging, including fumigation before and after the work term. Among other things, Dreamland agrees to (1) instruct employees to keep showers in a sanitary condition and to inform Dreamland when they are not; (2) keep showers in good repair, and with running water that reaches 90 to 110 degrees Fahrenheit; (3) provide clean and sanitary toilets and hand-washing facilities in close proximity to the toilets, and utility sinks to dispose of dishwater; and (4) provide and maintain a system of treating and disposing of sewage, including either a sewer inlet connection or a sewage collection service.

29. Dreamland agrees to record in writing all complaints to Dreamland by employees or personnel in charge of housing regarding lodging, including but not limited to complaints of overcrowding, leaks, lack of functioning toilets, and infestation of insects and/or rodents. Such records shall include the name of the complainant, the nature of the complaint, the date and time of the complaint, any injuries or illnesses that resulted from the conditions, the actions taken by Dreamland in response to the complaint, and the date and time in which those actions were taken. Dreamland agrees to make a good faith effort to resolve all complaints regarding overcrowding, insect or rodent infestation, and/or showers or toilets within two days of the complaint.

Equal Treatment In Employment and Housing

30. Dreamland agrees to establish job descriptions and a uniform pay scale for all positions, allowing for reasonable differences in wages for different job responsibilities, special skills, training, seniority, or other reasonable factors conditioned on the OAG's advance approval of those factors, which shall not be unreasonably withheld.
31. Dreamland agrees that hiring, pay, work assignments, disciplinary, and promotional procedures and practices shall be made in a nondiscriminatory manner, and that employee housing shall be assigned and must be of comparable quality, with equal numbers of persons per square foot without regard to the race, color, citizenship or national origin of the employee.
32. Dreamland agrees that it will not require that employees surrender, or condition any term or benefit of employment on employees surrendering, identity or authorization documents to Dreamland, including passports and visas. Dreamland agrees that, upon request by employees, Dreamland may, but is not required to, secure identity and/or authorization

documents for safekeeping purposes, but that Dreamland will immediately return such documents to employees upon request or termination of employment.

Safety and Health:

33. Dreamland agrees to provide personal protective equipment and training to ensure the safety and health of its employees, consistent with its obligations under federal and state safety and health standards, including but not limited to those set forth in the Occupational Safety and Health Act, 29 CFR §§ 1910 *et al.*; specifically, Dreamland agrees to:
- a. provide fall protection by eliminating any hazards, and if the total elimination of hazards is impracticable, then provide body harnesses that can be safely secured to fixed anchorage points, at no cost to employees performing work four feet above the ground, and after proper training to ensure that such work does not take place unless machines are safely turned off and locked out;
 - b. provide hand and foot protection to employees loading or unloading equipment at no cost, including, but limited to proper gloves and work boots required under the law, when working such as loading and unloading Dreamland equipment
 - c. provide at no cost rain-proof clothing, including full-body raincoats and rubber work boots, for employees who must work in inclement weather;
 - d. refrain from requiring that employees work above ten feet in height in inclement weather; and
 - e. provide training of employees at the beginning of the season and of all new hires within one week of hire who have responsibilities including the operation, maintenance and assembly and disassembly of Dreamland equipment, including

rides, games, and concession stands, in performing these activities safely and in accordance with all federal, state and local safety and health requirements.

Retaliation

34. Dreamland agrees that it shall not in any manner discriminate or retaliate against any of its employees, including the employees who cooperated or are perceived to have cooperated with OAG's investigation of this matter, in any of their terms or conditions of employment because of such cooperation or perceived cooperation. Dreamland agrees not to discharge or refuse to hire any of these employees except for legitimate, non-discriminatory reasons unrelated to OAG's investigation or to any past, present or future participation in any activities involving the exercise of their legal rights under the Fair Labor Standards Act, the New York State Labor Law, New York Codes, Rules, and Regulations, Title VII, the New York State Human Rights Law, the New York City Human Rights Law, the State Sanitary Code, or any other laws referred to in this Assurance.

Transparent and Effective Complaint Procedures

35. Dreamland agrees that within thirty (30) days of the effective date of this Assurance, it shall create and implement procedures, subject to OAG's approval, for employees to complain to Dreamland regarding their employment and housing, and for the investigation and resolution of these complaints. At least one supervisor shall be able to communicate in Spanish sufficient to receive, investigate, and resolve such complaints from employees who can only communicate in Spanish. Dreamland agrees to maintain a record of all complaints by employees, formal or informal, regarding their employment or housing, which shall include a written record of the complaint and any investigation and/or resolution thereof. Dreamland agrees to maintain these records for the duration of this Assurance.

Written Bilingual Handbook for Employees

36. Dreamland agrees to provide to all employees on the first day of their employment a handbook (“Handbook”), in English and Spanish, that summarizes the terms and conditions of their employment by Dreamland as set forth in paragraphs 23 through 35 of this Assurance. Employees will be given at least one hour of paid work time to review this Handbook and shall sign acknowledgment forms that they have received and understand the Handbook. Such Handbook shall be submitted to the OAG within thirty (30) days of the Effective Date of this Assurance, and is subject to the prior approval of the OAG, which shall not be unreasonably withheld. The Handbook shall be distributed to employees already employed within ten (10) days after the OAG’s approval and to the newly employed on their first work day.

Supervisor Training

37. Within forty-five (45) days from the Effective Date, and again at the beginning of each new carnival season during the effective period of this Assurance, Dreamland agrees to train all of its personnel with responsibility for supervising employees on the requirements of the policies described in paragraphs 23 through 36 of this Assurance and applicable law.

Posting

38. Dreamland agrees to post all notices for employees as required by law, in English and Spanish, including those setting forth employee rights with respect to wage and hour law and the right to be free from discrimination. In addition, Dreamland agrees to post a copy of the notice attached hereto as Exhibit A, setting forth employee rights with respect to this Assurance, in conspicuous areas, and to keep such notice posted for a period of three years.

Independent Monitoring

39. Within thirty (30) days of the execution of this Assurance, Dreamland agrees to identify and retain an independent examiner (“Independent Monitor”), at Dreamland’s own expense and subject to the prior approval of OAG, which shall not be unreasonably withheld.
40. The Independent Monitor shall evaluate and examine the Company’s compliance with paragraphs 23 through 38 of this Assurance by conducting no fewer than four random, unannounced visits during Dreamland’s carnival operating season, which shall be limited to venues in New York State, unless Dreamland holds fewer than four carnivals in New York State. If Dreamland holds fewer than four carnivals in New York State, then the Independent Monitor shall conduct the remaining number of visits in any Dreamland carnival venue in United States. During these monitoring visits, the Independent Monitor shall inspect employee housing and review all relevant documents, including but not limited to employee payroll records, ETA 750s, notices for employees, advertisements soliciting employees, postings, Handbook acknowledgment forms and complaint records, and weekly revenue records, and shall conduct confidential interviews with employees outside of the presence of other employees and supervisors that do not unduly interfere with the operation of Dreamland’s business.
41. Dreamland agrees to allow the Independent Monitor full access to its documents, employees and workplace and provide the Independent Monitor its full cooperation to enable the Independent Monitor to conduct its examination. Within two weeks after each unannounced visit, the Independent Monitor shall prepare and submit to the OAG a report describing Dreamland’s compliance with the terms of this Assurance. The report shall

include true and accurate copies of any relevant Dreamland documents that the OAG may request.

42. Should the Independent Monitor's report show a material violation of paragraphs 23 through 38 of this Assurance, Dreamland agrees to pay \$1,000 in liquidated damages, separate and apart from any other penalty or damages associated with the violation, for each violation, provided that prior to any assessment of liquidated damages Dreamland shall be notified of the violation in writing, after which Dreamland shall have ten (10) days to cure the violation, and provided also that the OAG may require at its discretion an additional site visit by the Independent Monitor at a time and manner specified by the OAG to confirm that such material violation has been cured.
43. The OAG, at its discretion, shall have the right to require Dreamland to change the Independent Monitor upon a good faith determination that the Independent Monitor has been ineffective in monitoring compliance with this Assurance.
44. Dreamland shall be required to continue to employ the Independent Monitor (or, if necessary, a replacement monitor to be approved in advance by OAG) for a period of three (3) years. In the event that an Independent Monitor's report shows a serious material violation of paragraphs 23 through 38 of this Assurance that was not cured within ten (10) days of written notice to Dreamland, the OAG, in its discretion, may extend this monitoring period for an additional year.

Monetary Payment

45. Dreamland agrees to pay Three Hundred and Twenty-five Thousand Dollars (\$325,000) (the "settlement funds"), exclusive of interest. The settlement fund will be used for distribution to Dreamland employees. The OAG has sole discretion to determine which

persons employed by Dreamland shall be eligible for restitution and damages and to determine the amount of such restitution and damages. Dreamland agrees to provide reasonable cooperation necessary to locate current and former employees of Dreamland.

46. Dreamland agrees to pay the settlement funds as follows:

- a. One Hundred Twenty Thousand Dollars (\$120,000) at the time of the DeStefanos's signing of this Assurance. This amount shall be held in escrow until the Assurance is fully executed.
- b. On September 1, 2009, twenty thousand dollars (\$20,000), with no additional payment of interest;
- c. On August 1, 2010, thirty-five thousand dollars (\$35,000), and on November 1, 2010, thirty-five thousand dollars (\$35,000), with no additional payment of interest, for a total of seventy thousand dollars (\$70,000) during 2010;
- d. On July 1, 2011, twenty-four thousand nine hundred and sixty dollars (\$24,960), and on October 1, 2011, thirty-seven thousand four hundred and forty dollars (\$37,440), for a total of sixty-two thousand four hundred dollars (\$62,400) during 2011. This amount includes interest in the amount of twenty-four hundred dollars (\$2,400), equivalent to 4% simple interest rate;
- e. On July 1, 2012, twenty-three thousand one hundred dollars (\$23,100) and on October 1, 2012 thirty-four thousand six hundred and fifty dollars (\$34,650), for a total of fifty-seven thousand seven hundred and fifty dollars (\$57,750) during 2012. The amount includes interest in the amount of two thousand seven hundred and fifty dollars (\$2,750), which is equivalent to 5% simple interest rate.

47. All payments from Dreamland must be in the form of a certified check, bank check, money order, or attorney's check made payable to "The New York State Attorney General's Office," and forwarded to the New York State Attorney General's Office, attention Section Chief Andrew Elmore, Civil Rights Bureau, 120 Broadway, 3rd Floor, New York, New York, 10271-0332. No personal checks shall be accepted. The payment and all correspondence related to this Assurance must reference "AOD # 09-132."
48. In the event that a payment is not timely received by OAG within ten (10) days of any due date referenced in Paragraph 46, a civil penalty of one hundred dollars (\$100) per day shall be imposed automatically on Dreamland. The OAG is not required to provide any notice or reminders.
49. In the event that a payment is received prior to the due date, it will be applied to the last payment that is then due.

Individual and Joint and Several Liability

50. The DeStefanos hereby expressly and unequivocally agree to assume personal and individual liability for any of the restitution and damages agreed to pursuant to this Assurance. Assuming personal and individual liability means that the DeStefanos accept that they will be subject to all collection efforts against individuals as prescribed under the Civil Practice Law and Rules of the State of New York; furthermore, the DeStefanos waive any defense or argument that they are not subject to the jurisdiction of New York courts. By signing this Assurance, the DeStefanos hereby admit their understanding of the term "personal and individual liability" and agree to be subject to any and all collection remedies available against individuals under the Civil Practice Law and Rules of the State

of New York, including, but not limited to, seizure of personal assets, including property, and garnishment of wages.

51. The DeStefanos hereby expressly and unequivocally agree that they are separately, jointly and severally liable for any of the restitution and damages agreed to pursuant to this Assurance. By signing this Assurance, the DeStefanos hereby admit their understanding of the term “joint and several liability” and they are each individually liable for any and all restitution and damages that remain unpaid, regardless of the condition or ability to pay on the part of the other. Kathryn L. DeStefano and Robert F. DeStefano, Jr. each agree to be subject to any and all collection remedies available against individuals under the Civil Practice Law and Rules of the State of New York, including, but not limited to, seizure of personal assets, including property, and garnishment of wages.

Payment Security

52. As collateral security for the full and timely payment of the Settlement Amount, Robert F. DeStefano and Kathryn L. DeStefano, the owners of property located at 2 Olympia Lane, Stony Brook, New York 11790 (the “Property”), shall deliver a mortgage to the Office of the Attorney General in the amount of two hundred fifteen thousand and two hundred and fifty dollars (\$215,250), equivalent to \$205,000 plus 5% of liquidated damages, on the Property in the form annexed hereto as Exhibit B. The parties acknowledge that this Mortgage is presently a second Mortgage on the property. Robert F. DeStefano and Kathryn L. DeStefano agree that they will not undertake or cause to undertake any action that would cause another lien to be created or filed which would be inconsistent with the priority accorded this second mortgage. Said Mortgage shall be filed and recorded with the Suffolk County Clerk upon receipt by the Office of the Attorney General.

Confessions of Judgment

53. Robert F. DeStefano, Jr. agrees to execute an Affidavit of Confession of Judgment (“Confession of Judgment”) (attached as Exhibit C) in the sum of \$325,000 (the payment amount) upon the signing of this Assurance. The Confession of Judgment shall be held in escrow by the OAG and may only be filed if Dreamland does not comply with their obligations as set forth in paragraphs 42, 45, 46 and 48 of this Assurance. If all payments have not been made pursuant to this Assurance by April 1, 2012, pursuant to Section 3218 of the New York Civil Practice Law and Rules, Robert F. DeStefano agrees to execute a new Confession of Judgment for the remaining sum due. Failure to execute a new Confession of Judgment shall be considered a material breach of this Assurance.
54. Kathryn L. DeStefano agrees to execute an Affidavit of Confession of Judgment (“Confession of Judgment”) (attached as Exhibit D) in the sum of \$325,000 (the payment amount) upon the signing of this Assurance. The Confession of Judgment shall be held in escrow by the OAG and may only be filed if Dreamland does not comply with their obligations as set forth in paragraphs 42, 45, 46 and 48 of this Assurance. If all payments have not been made pursuant to this Assurance by April 1, 2012, pursuant to Section 3218 of the New York Civil Practice Law and Rules, Kathryn L. DeStefano shall execute a new Confession of Judgment for the remaining sum due. Failure to execute a new Confession of Judgment shall be considered a material breach of this Assurance.

Miscellaneous

55. The OAG has agreed to the terms of this Assurance based on, among other things, the representations made to OAG by Dreamland and Dreamland’s counsel and OAG’s own factual investigation as set forth in Findings (1)-(21) above. To the extent that any material

representations are later found to be inaccurate or misleading, this Assurance is voidable by the OAG in its sole discretion.

56. This Assurance will expire three (3) years after the Effective Date, except that the OAG may, in its sole discretion, extend the Assurance term upon a good-faith determination that Dreamland has not complied with this Assurance, which non-compliance the OAG will discuss and attempt to resolve with Dreamland in good faith before making such determination.
57. No representation, inducement, promise, understanding, condition, or warranty not set forth in this Assurance has been made to or relied upon by Dreamland in agreeing to this Assurance.
58. Dreamland 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. Dreamland agrees not to 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 Dreamland's (i) testimonial obligations or (ii) right to take legal or factual positions in defense of litigation or other legal proceedings to which OAG is not a party. This Assurance is not intended for use by any third party in any other proceeding and is not intended, and should not be construed, as an admission of liability by Dreamland.
59. This Assurance may not be amended except by an instrument in writing signed on behalf of all the parties to this Assurance.
60. This Assurance shall be binding on and inure to the benefit of the parties to this Assurance and their respective successors and assigns, provided that no party, other than OAG, may

assign, delegate, or otherwise transfer any of its rights or obligations under this Assurance without the prior written consent of OAG.

61. In the event that any one or more of the provisions contained in this Assurance shall for any reason be held 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.
62. To the extent not already provided under this Assurance, Dreamland agrees to, upon request by the OAG, provide all documentation and information necessary for the OAG to verify compliance with this Assurance.
63. All notices, reports, requests, and other communications to any party pursuant to this Assurance shall be in writing and shall be directed as follows:

From Dreamland to OAG:

New York State Office of the Attorney General, Andrew Elmore, Section Chief, Civil Rights Bureau, 120 Broadway, 3rd Floor, New York, New York, 10271-0332.

From the OAG to Dreamland:

Stanley Kalman Schlein, Esq., 481 King Avenue, Bronx, New York 10464.

Any changes in the person to whom communications should be specifically directed shall be made in writing in advance of the change.

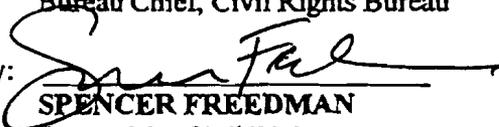
64. Acceptance of this Assurance by OAG shall not be deemed approval by OAG of any of the practices or procedures referenced herein, and Dreamland agrees not to make any representation to the contrary.

65. Pursuant to Executive Law § 63(15), evidence of a violation of this Assurance shall constitute *prima facie* proof of violation of the applicable law in any action or proceeding thereafter commenced by OAG.
66. If a court of competent jurisdiction determines that Dreamland has breached this Assurance, Dreamland agrees to pay to OAG the cost, if any, of such determination and of enforcing this Assurance, including without limitation legal fees, expenses, and court costs.
67. The OAG finds the relief and agreements contained in this Assurance appropriate and in the public interest. The OAG is willing to accept this Assurance pursuant to Executive Law § 63(15), in lieu of commencing a statutory proceeding. This Assurance shall be governed by the laws of the State of New York without regard to any conflict of laws principles.
68. Nothing contained herein shall be construed so as to deprive any person of any private right under the law.

IN WITNESS WHEREOF, this Assurance is executed by the parties hereto on August 31, 2009.

ANDREW M. CUOMO
Attorney General of the State of New York

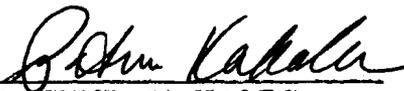
By: 
ALPHONSO B. DAVID
Bureau Chief, Civil Rights Bureau

By: 
SPENCER FREEDMAN
Counsel for Civil Rights

ANDREW J. ELMORE
Section Chief
Civil Rights Bureau

120 Broadway
New York, New York 10271
Phone: (212) 416-6280
Fax: (212) 416-8074

Dated: August 31, 2009

By: 
PATRICIA KAKALEC
Deputy Bureau Chief, Labor Bureau

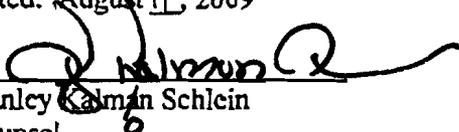
KAREN KITHAN YAU
Assistant Attorney General
Labor Bureau

120 Broadway
New York, New York 10271
Phone: (212) 416-6136
Fax: (212) 416-8694

Dated: August 31, 2009

KATHYRN L. DESTEFANO

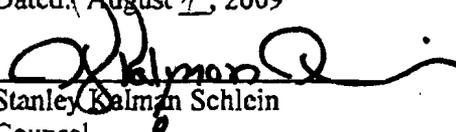
By: 
Kathryn L. DeStefano
In Her Personal and Individual Capacity
Dated: August 11, 2009

By: 
Stanley Kalman Schlein
Counsel

Dated: August 11, 2009

ROBERT F. DESTEFANO

By: 
Robert F. DeStefano
In His Personal and Individual Capacity
Dated: August 11, 2009

By: 
Stanley Kalman Schlein
Counsel

Dated: August 11, 2009

Kelly m. Hedgepeth
Ex: 8/23/09

DREAMLAND AMUSEMENTS, INC.,
TOY CIRCUS, INC., AND CROSSROADS
TRUCKING, INC.

By:


Stanley Kalman Schlein
Counsel

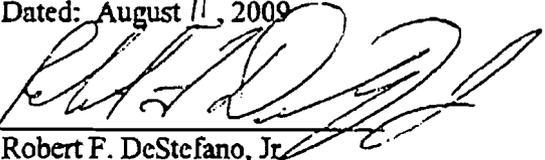
Dated: August 11, 2009

By:

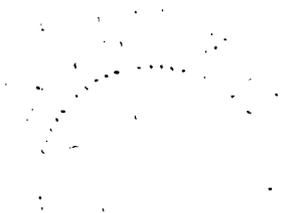

Kathryn L. DeStefano
Owner and President

Dated: August 11, 2009

By:


Robert F. DeStefano, Jr.
Owner

Dated: August 11, 2009


Kelly Hedgcock
ex: 8/23/09 27

NOTICE TO ALL DREAMLAND EMPLOYEES

This notice is posted and provided as part of an Assurance of Discontinuance entered into between the Office of the New York State Attorney General and Dreamland, as the result of an investigation by the Attorney General of allegations of wage and hour law violations and discrimination against employees because of national origin or citizenship.

New York State law provides that employees are entitled to certain rights, including the following:

1. **Minimum Wage** In New York State, you must be paid at least a minimum wage of \$7.25 per hour and at least 1½ of \$7.25 per hour when you work over 40 hours per week, even if an employer may be exempted from paying you overtime of a regular rate under other state and federal laws. You have a right to be paid for every hour you work, and an additional \$7.25 each day that you work 10 hours or more in a single day.
2. **Pay Stubs** You will get a receipt showing the hours you have worked and your salary, gross and net wages (after any deductions).
3. **Breaks** You will be given one unpaid day off each week, and will be given at least 30 uninterrupted minutes of unpaid break time to eat, and may have the right to additional unpaid breaks, as required by law.
4. **Housing** You have the right to sanitary housing, with properly functioning showers and hot water, free from insect infestations or other unhygienic conditions.
5. **Safety and Health** You have the right to a safe workplace, including appropriate hand and footwear, and secure harnesses when working from heights.
6. **Discrimination** You have the right to work free from discrimination because of your sex, race, national origin, citizenship, color, disability, age, sexual orientation or familial status, or other protected bases.
7. **No Retaliation** You have the right not to be retaliated against because you have cooperated with the Attorney General's investigation or any government investigation or because it is perceived that you have cooperated.

Dreamland has agreed to comply with all laws guaranteeing minimum wages and overtime and prohibiting discrimination in the workplace and will not take any retaliatory action against any person who asserts his or her rights under, or complains of violations of, these laws or its policies by filing a complaint with the Office of the Attorney General. Should you have any complaint regarding violations of the above rights, please contact:

Office of the New York State Attorney General
Civil Rights Bureau
Labor Bureau
120 Broadway
New York, New York 10271
Telephone: (212) 416-8250 or (800) 771-7755
Fax: (212) 416-8074
www.oag.state.ny.us

THIS IS AN OFFICIAL NOTICE

This is an Official Notice and must remain posted for three years from the date of posting and may not be altered, defaced or covered by any other material, until August __, 2012.

Signed:

Manager, Dreamland

NOTIFICACIÓN A TODOS LOS EMPLEADOS DE DREAMLAND

Esta notificación se publica y se proporciona como parte de la Garantía de Suspensión entre La Oficina del Procurador General del Estado de Nueva York y Dreamland, como resultado de una investigación por el Procurador General de denuncias de violaciones de ley por salario y hora y discriminación contra los empleados por su origen nacional or ciudadanía.

La Ley del Estado de Nueva York provee que empleados tengan cierto derechos, incluyendo los siguientes:

- 1. Salario Mínimo** En el Estado de Nueva York, usted tiene que ser pagado por lo menos un salario mínimo de \$7.25 por hora y por lo menos 1½ de \$7.25 por hora cuando usted trabaja más de 40 horas por semana, aun cuando un empleador esta exento de pagarle a usted horas extra de su pago regular bajo las leyes de otro estados y federal. Usted tiene el derecho que le paguen por cada hora que usted trabaja, y un adicional de \$7.25 por cada día que usted trabaje 10 horas or más en un solo día.
- 2. Talones de Pago** Usted tiene que recibir un recibo enseñando las horas que usted a trabajado y su sueldo, salario bruto y salario neto (después de cualquier deducción).
- 3. Descansos** Usted tiene el derecho a un día sin pago alguno cada semana y también le sera dado por los menos 30 minutos interrumpidos de descanso sin pago para comer y puede ser que tenga el derecho de más descansos adicionales, que estén requeridos por la ley.
- 4. Vivienda** Usted tiene el derecho a una vivienda sanitaria con duchas y agua caliente que estén funcionando apropiadamente, libre de infecciones de insectos y otras condiciones higiénicos.
- 5. Seguridad y Salud** Usted tiene el derecho a un lugar de trabajo que este seguro, incluyendo instrumentos de mano y calzado que estén apropiado, y arneses de seguridad cuando este trabajando de altura.
- 6. Discriminación** Usted tiene el derecho a un trabajo libre de discriminación por su sexo, raza, origen nacional, ciudadanía, color, discapacidad, edad, orientación sexual, o estado familiar o otras bases protegidas.

7. **No Retaliación** . Usted tiene el derecho de no tener retaliación en contra de usted porque a cooperado con la investigación del Procurador General o cualquier otra investigación del gobierno o porque se percibe que usted a cooperado.

Dreamland esta de acuerdo de cumplir con todas estas leyes garantizando un salario mínimo y horas extra y prohibiendo discriminación en el lugar de trabajo y no va a tomar cualquier acción de retaliación en contra de alguna persona que afirma sus derechos, o que de una queja de violación de estas leyes o sus pólizas por llenar una queja con La Oficina del Procurador General. Si usted tiene cualquier quejas con referencia a violaciones de los derechos que aparecen arriba, por favor de comunicarse con:

Office of the New York State Attorney General
Civil Rights Bureau
Labor Bureau
120 Broadway
New York, New York 10271
Teléfono: (212) 416-8250 o (800) 771-7755
Fax: (212) 416-8074
www.oag.state.ny.us

ESTO EN UNA NOTIFICACIÓN OFICIAL

Esto es una notificación oficial y tiene que mantenerse publicado por tres años a partir de la fecha de publicación y no puede ser alterado, desfigurado o cubierto por cualquier otro material, hasta el __ de Agosto de 2012.

Firmado:

Gerente, Dreamland