

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

**NYC DEPARTMENT OF CONSUMER
AND WORKER PROTECTION,**

Petitioner,

-against-

INSTANT RECOVERY CORP.,

Respondent(s).

PETITION

OATH Index No. 261455

The New York City Department of Consumer and Worker Protection (“DCWP” or “the Department”) brings this action against Respondent Instant Recovery Corp. (“Instant Recovery” or “Respondent”), and alleges as follows:

INTRODUCTION

1. Driving a vehicle in New York City comes with numerous challenges: From fighting traffic, finding parking, and avoiding potholes, it can feel like a never-ending battle. So, when New Yorkers park their vehicles in a parking lot to run into a store to pick up medicine for a sick child, or to grab dinner for their family, the last thing they need is to find their vehicle being improperly towed, or to be charged an illegal fee by a tow truck operator. Unfortunately, unscrupulous tow truck companies have become common in New York City. Respondent is no exception.

2. The rates tow truck companies may charge consumers for non-consensual tows are set by law for a reason: To prevent tow truck operators from taking advantage of consumers who are in a vulnerable position, often unexpectedly stranded.

3. Respondent Instant Recovery Corp. is a tow truck company currently licensed by the Department. Instant Recovery has been licensed by the Department since November 2024.

Almost immediately, Instant Recovery began ripping off consumers. Since January 2025, at least 27 consumers have filed complaints with the Department regarding Instant Recovery's predatory conduct. This high number of consumer complaints regarding Instant Recovery's business practices led DCWP to commence an investigation.

4. The complaints the Department received from consumers involving Instant Recovery paint a picture of a business that has failed to abide by the rules and regulations as required of the Department's licensees.

5. Specifically, consumers consistently report that Instant Recovery overcharged them, forced them to pay cash, and/or refused to provide a receipt. Taken together, this suggests that Instant Recovery is willfully overcharging consumers and then refusing to provide a receipt or accept payment by credit card in an attempt to conceal its improper practices.

6. In their complaints, consumers describe how Instant Recovery will lie in wait in a private parking lot until the moment a consumer steps away from their vehicle. When the consumer returns and finds Instant Recovery in the process of towing their vehicle, consumers report that Instant Recovery demands an egregious "drop fee," in cash, to unhook their car prior to towing it out of the lot. By law, tow truck companies may only charge a "drop fee" of a maximum of \$62.50 to unhook a car that is in the process of being towed from a private lot, yet consumers consistently report that Instant Recovery charged them over \$200.00 for this service.

7. Faced with the threat of having their vehicle towed, consumers in this position are particularly vulnerable. If a consumer fails to pay the unlawful drop fee, they risk being stranded without their vehicle and incurring additional costs to retrieve the towed vehicle at a later date and not-yet-known location, not to mention the potential expenses and inconvenience resulting from the loss of their vehicle.

8. Consumers who report that their cars were towed to Instant Recovery’s premises describe having endured similar unlawful and coercive overcharge practices. Consumers report that Instant Recovery unlawfully overcharged them by hundreds of dollars for the release of their towed vehicles—for example, demanding fees of \$350.00, \$408.00, or \$410.00 to release consumers’ vehicles which were towed from private lots, for which the lawful fee is capped at \$125.00.

9. As discussed in detail below, Instant Recovery’s response to the Department’s investigation confirms that Instant Recovery disregards the laws and rules pertaining to tow truck operators and routinely exploits vulnerable consumers who are at the mercy of Instant Recovery to release their vehicles.

10. On May 22, 2025, the Department requested that Instant Recovery produce records that the company is required to maintain and produce upon demand by the Department. Notably, of the 445 completed records produced by Instant Recovery in response to the Department’s demand, **all but one reflects an unlawful overcharge**, resulting in a total of \$33,850.00 in documented consumer overcharges.

11. Respondent’s predatory and unlawful conduct violates the Department’s licensing laws, codified in Chapters One and Two of the New York City Administrative Code (“NYC Code”); and the Department’s Rules, codified in Title Six of the Rules of the City of New York (“6 RCNY” or “Rules”).

12. The Department is vested with the authority to license certain categories of businesses for, among other things, “the protection and relief of the public from deceptive, unfair and unconscionable practices, for the maintenance of standards of integrity, honesty and fair dealing among persons and organizations engaging in licensed activities, for the protection of the

health and safety of the people of New York city and for other purposes requisite to promoting the general welfare.” *See* NYC Code § 20-101.

13. In furtherance of these significant public interests, the NYC Code and Rules set forth a comprehensive framework of regulations for licensed tow truck operators. *See, e.g.*, NYC Code §§ 19-169, 19-169.1, 20-495 *et seq.*, and 6 RCNY § 2-361 *et seq.* This includes setting the maximum rates that tow truck companies can permissibly charge consumers who have had their car towed from a private parking lot or a blocked driveway—circumstances in which the consumer has not consented to having their car towed (“non-consensual tows”), as well as specific recordkeeping requirements to ensure compliance and accountability.

14. Because of the extent of Instant Recovery’s unlawful business practices and the resulting impact on consumers, the Department now charges Instant Recovery with violations of the laws and rules applicable to tow truck companies, including significantly overcharging consumers for vehicles towed from private lots or private driveways, failing to obtain appropriate authorization to tow, and failing to maintain and produce all requested documents in the required format. Given the breadth of Instant Recovery’s misconduct, it should no longer have a license to operate as a tow truck company in New York City.

15. By this proceeding, and as against Respondent, the Department seeks restitution for aggrieved consumers, civil penalties, the revocation of Respondent’s tow truck company license, or, in the event that revocation is not granted, the suspension of the tow truck company license, and such other relief as authorized by section 2203(h) of Chapter 64 of the New York City Charter (“Charter”) and the NYC Code.

PARTIES

16. The Department is a mayoral agency of the City of New York responsible for protecting and enhancing the daily economic lives of New Yorkers to create thriving communities. The Department is charged with the protection and relief of the public from deceptive, unfair, and unconscionable practices, and for the maintenance of standards of integrity, honesty, and fair dealing among persons engaging in licensed activities. Charter section 2203(h) and Chapter 20 of the NYC Code authorize the Department to enforce the licensing laws and rules governing tow truck companies.

17. Respondent Instant Recovery is a New York Domestic Business Corporation. It is a tow truck company licensed by the Department under license number 2125390-DCWP. Its principal executive offices are located at 423 Bronx Park Ave, Bronx, NY 10460. Instant Recovery has been licensed to conduct business as a tow truck company at 423 Bronx Park Ave, Bronx, NY 10460 under DCWP license number 2125390-DCWP since November 2024.

APPLICABLE LAW

18. The NYC Code and Rules impose a comprehensive regulatory framework for tow truck companies removing vehicles from private property.

19. For the removal of vehicles improperly parked in front of a driveway, NYC Code § 19-169(c)(1), provides that “[n]o vehicle may be removed . . . without the express written authorization issued to a person licensed to engage in towing . . . by the owner of such property, or his or her lessee. Such authorization shall include the location of the vehicle to be removed, the make, model, color and license plate number of such vehicle and a statement that such vehicle was removed pursuant to a notice of parking violation and shall be signed by the owner of such property, or his or her lessee, prior to removal.”

20. NYC Code § 19-169(c)(8) establishes that “a person who removes a vehicle pursuant to section 19-169 of this code [pertaining to vehicles parked in front of a private driveway] may collect the following charges from the owner or other person in control of such vehicle, payable before the vehicle is released: one hundred twenty-five dollars for removal and the first three days of storage; up to fifteen dollars per day for storage thereafter.”

21. For the removal of vehicles parked in private lots, NYC Code § 19-169.1(a) provides that “where a licensed tow operator removes a vehicle because it is parked on private property in a manner inconsistent with posted instructions, and such removal is pursuant to a contract between the owner of the private property and the licensed tow operator for the removal of any such improperly parked vehicles, such tow operator may collect the following charges from the vehicle owner or other person in control of such vehicle, payable before the vehicle is released: up to but not more than one hundred twenty-five dollars for removal and the first three days of storage; up to but not more than fifteen dollars per day for storage thereafter.”

22. NYC Code § 19-169.1(c) establishes that “[n]o vehicle shall be removed by a tow operator from private property without express written authorization by the owner of the private property or his or her agent as designated in the contract between the owner of the private property and the tow operator. Such authorization shall be required for each vehicle removed, and shall include the location, make, model, color and license plate number of the vehicle to be removed.”

23. Specifically, 6 RCNY § 2-377(h) provides that “[n]o tow operator shall remove a vehicle from private property without first obtaining written authorization from the owner of such property or the owner’s agent who has been designated in writing to authorize such towing. The written authorization must be legible and shall include the date, time, location, make, model, color, and license plate number of the vehicle to be removed, and the name, title and signature of the

person authorizing the towing. The licensee shall provide the owner or operator of the towed vehicle a copy of such authorization that also includes an itemized list of the fees that may be collected for the towing and storage of a vehicle towed from the property.”

24. 6 RCNY § 2-366(d) provides that “[a]ll tow truck operators must issue a clearly written itemized receipt for towing services for which they have been paid. This receipt must state the amount of charges, for what services charges were made, the location from which the vehicle was towed and the location to which the vehicle was towed, the method of payment and the date services were rendered. This receipt must also state the schedule of rates, if applicable, and the license number, the telephone number and the premises address of the company licensed to engage in the business of towing.”

25. In addition, NYC Code § 20-527 provides that “[a]ny person licensed pursuant to the provisions of this subchapter shall accept payment in person by credit card for any fees incurred in accordance with generally accepted business practices.”

26. The NYC Code and Rules impose comprehensive mandatory electronic recordkeeping requirements upon licensed tow truck companies, to ensure that they have complied with the substantive requirements of the NYC Code and Rules.

27. Specifically, 6 RCNY § 1-16(a) states that “[e]very licensee shall maintain the records which it is required to maintain under Chapters 1 and 2 of Title 20 of the New York City Administrative Code and the regulations promulgated thereunder, and, except as otherwise set forth in said chapters or regulations, shall retain such records for three years. Licensees shall make such records available for inspection at the offices of [DCWP].”

28. NYC Code § 20-516 provides that “[e]very person licensed to engage in towing shall maintain records, ledgers, receipts, bills and such other written records as the commissioner

may prescribe by regulation in electronic format. Such records shall be made available for inspection by the commissioner at his or her request at either the licensee's place of business or at the offices of the department for a period of five years."

29. 6 RCNY § 2-378 provides that every licensed tow company must "maintain records in an electronic format concerning every tow performed under the authority . . . to remove vehicles improperly parked on private property provided by § 19-169.1 of the Administrative Code," and provides detailed instructions on the documents that must be maintained and their required electronic formatting.

30. Additionally, 6 RCNY § 2-378(a)(1) provides that licensees are required to "create an electronic folder in which it will maintain electronic copies of records for each tow." Each folder must be labeled with the date the tow was performed, entered as "YYYYMMDD," and the electronic files must be maintained chronologically. *Id.*

31. "Each electronic folder must contain an electronic copy of each of the following documents: (i) a completed authorization to tow, (ii) a receipt for the towing services, and (iii) a copy of the credit card record of payment for the towing services, if any." 6 RCNY § 2-378(a)(2).

32. For tows of vehicles improperly parked on private property, "the licensee must maintain in each electronic folder an electronic copy of the written authorization required by § 19-169.1(c) of the Administrative Code of the City of New York and 6 RCNY § 2-377(h) from the owner of the property or the owner's agent who has been designated in writing to authorize such towing." 6 RCNY § 2-378(e)(1).

33. In addition, "the licensee must include in each electronic folder for a tow from private property an electronic copy of the trip record required by § 19-169.1(f) of the

Administrative Code and the signed receipt of the person paying removal and storage charges issued pursuant to § 19-169.1(h) of the Administrative Code.” 6 RCNY § 2-378(e)(2).

34. 6 RCNY § 2-378(e)(3) provides that “[a] licensee that performs towing services from private property must make an electronic copy of every contract between the licensee and the owner of private property required by § 19-169.1(c) of the Code. The electronic copy must be labeled with the address of the private property, the name of the owner of the private property and the date of the contract.”

35. 6 RCNY § 2-378(g)(3) provides that “[e]ach electronic copy of a document concerning a tow must be labeled electronically with (i) the licensee’s DCA license number, (ii) the license plate number and state of issuance of the vehicle towed, and (iii) the date of the tow, which must be entered as ‘YYYYMMDD.’” Furthermore, “[e]ach electronic copy must be electronically labeled with the date and time that the file was created” and licensees “must save the electronic records required by this section” at least once a week. 6 RCNY § 2-378(g)(4)-(5).

STATEMENT OF FACTS

I. RESPONDENT ROUTINELY OVERCHARGED CONSUMERS, AS DEMONSTRATED BY ITS OWN RECORDS

36. As described fully below, Instant Recovery resisted their obligations to produce records at the Department’s request, ultimately producing only a portion of what the Code and Rules require. But even Instant Recovery’s incomplete document production demonstrates a staggering \$33,850.00 in documented consumer overcharges during just a five-month period. In fact, *all but one tow receipt that Instant Recovery produced shows an overcharge.*

37. The maximum rate a tow truck company may charge for towing a vehicle from a private parking lot or for towing a vehicle blocking a private driveway is \$125.00. *See* NYC Code §§ 19-169(c)(8), 19-169.1(a).

38. This fee also must include the first three days of storage, meaning that no additional fee can be charged for the towing or storage of a vehicle towed from a blocked private driveway or private parking lot for three days after the vehicle has been towed. For each day after the third day of storage, the tow truck company may charge \$15.00 per day for storage. *See* NYC Code §§ 19-169(c)(8), 19-169.1(a).

39. Instant Recovery produced records of 445 individual tows for the period of February 1, 2025 to June 30, 2025, representing 440 tows from private lots and five tows from allegedly blocked driveways. A review of Instant Recovery’s document production shows that *all but one* consumer was unlawfully overcharged.

40. 444 of 445 tow records also reflect an impermissible “Labor” or “Dollie” charge of \$75.00 in addition to the relevant tow fee. Indeed, the “Labor” charge is included on Instant Recovery’s printed form invoice, signifying that charging consumers for this is a routine practice for Instant Recovery.

41. Several records reflect even more substantial overcharges in the form of a “Special Tow” fee. For example:

- a. On February 13, 2025, a vehicle was towed from a private lot and released the same day to consumer A. Rojas who was charged an impermissible \$250.00 “special tow” fee in addition to the unlawful \$75.00 labor fee for a total charge of \$353.83 with taxes.
- b. On April 2, 2025, a vehicle was towed from a private lot and released the same day to consumer T. Chung who was charged an impermissible \$250.00 “special tow” fee in addition to the unlawful \$75.00 labor fee for a total charge of \$353.83 with taxes.

- c. On April 8, 2025, a vehicle was towed from a private lot and released that same day to consumer K. Piggott who was charged an impermissible \$250.00 “special tow” fee in addition to the unlawful \$75.00 labor fee for a total charge of \$353.41 with taxes.

42. Numerous consumers complained to the Department that Instant Recovery is charging them over \$200.00 for “drop fees” at private parking lots, for which the maximum fee is \$62.50. Other consumers simply complain that Instant Recovery is overcharging them, in amounts of hundreds of dollars in cash. Accordingly, the actual restitution due to consumers likely far exceeds the documented charges Instant Recovery produced in its incomplete document production.

43. Instant Recovery’s own records show that, at minimum, \$33,850.00 is due to consumers

44. As detailed, the documents produced by Instant Recovery reveal hundreds of confirmed instances of Instant Recovery unlawfully charging consumers impermissible fees in violation of the laws and rules.

II. RESPONDENT FAILED TO OBTAIN APPROPRIATE AUTHORIZATIONS PRIOR TO TOWING

45. Instant Recovery’s records demonstrate that it routinely failed to obtain appropriate authorizations prior to towing a vehicle, in violation of the NYC Code and Rules.

46. The NYC Code and Rules specifically require that a tow truck operator must receive signed authorization prior to towing a vehicle which is blocking a driveway or improperly parked in a private lot. NYC Code §§ 19-169(c)(1), 19-169.1(c), and 6 RCNY § 2-377(h).

47. For a vehicle that is blocking a private driveway, NYC Code § 19-169(c)(1) provides that “[n]o vehicle may be removed pursuant to this section without the express written

authorization issued to a person licensed to engage in towing . . . by the owner of such property, or his or her lessee. Such authorization shall include the location of the vehicle to be removed, the make, model, color and license plate number of such vehicle and a statement that such vehicle was removed pursuant to a notice of parking violation and shall be signed by the owner of such property, or his or her lessee, prior to removal.”

48. For a vehicle that is improperly parked in a private lot NYC Code § 19-169.1(c) provides that “[n]o vehicle shall be removed by a tow operator from private property without express written authorization by the owner of the private property or his or her agent as designated in the contract between the owner of the private property and the tow operator. Such authorization shall be required for each vehicle removed, and shall include the location, make, model, color and license plate number of the vehicle to be removed.”

49. 6 RCNY § 2-377(h) further specifies that “[n]o tow operator shall remove a vehicle from private property without first obtaining written authorization from the owner of such property or the owner’s agent who has been designated in writing to authorize such towing. The written authorization must be legible and shall include the date, time, location, make, model, color, and license plate number of the vehicle to be removed, and the name, title and signature of the person authorizing the towing. The licensee shall provide the owner or operator of the towed vehicle a copy of such authorization that also includes an itemized list of the fees that may be collected for the towing and storage of a vehicle towed from the property.”

50. Although the form invoices that Instant Recovery produced contain sections for much of the information required of an “authorization to tow,” many of these sections in the forms are incomplete and therefore facially deficient.

51. Critically, Instant Recovery’s form contains a signature box for the authorizing party to sign, but *every single record produced* is either unsigned or incomplete. For example, many authorizations are merely signed “management,” others contain an illegible signature but lack the name and title of the person signing.

52. Of the five forms produced for the towing of a vehicle allegedly blocking a driveway, all five authorizations lack the signature of the property owner or person in charge of the property.

53. Of the 440 forms produced for vehicles towed from a private lot, not a single one contains the name, title and signature of the person purportedly authorizing the tow as required by 6 RCNY § 2-377(h), and accordingly each form is incomplete and lacks appropriate authorization.

54. This failure to obtain appropriate authorization is particularly concerning given the recurring consumer complaints that Instant Recovery waits in parking lots and threatens to tow consumer’s vehicles unless they pay an inflated “drop fee.” This behavior is specifically prohibited under the NYC Code and Rules by the requirements that a tow truck company obtain written authorization prior to towing. Instant Recovery’s failure to obtain written authorization to tow is further evidence of their predatory and unlawful business practices.

III. RESPONDENT FAILED TO PROVIDE CONSUMERS WITH APPROPRIATE RECEIPTS

55. Instant Recovery’s records reflect that it has failed to provide consumers with receipts that comply with the NYC Code and Rules.

56. NYC Code § 19-169.1(h) provides that “[a] detailed, signed receipt showing the legal name of the person or company removing the vehicle must be given to the person paying the removal and storage charges at the time of payment” for vehicles removed from private property.

57. Six of the records produced by Instant Recovery are unsigned in clear violation of this requirement.

58. Furthermore, 6 RCNY § 2-366(d) provides that “[a]ll tow truck operators must issue a clearly written itemized receipt for towing services for which they have been paid. This receipt must state the amount of charges, for what services charges were made, the location from which the vehicle was towed and the location to which the vehicle was towed, the method of payment and the date services were rendered. This receipt must also state the schedule of rates, if applicable, and the license number, the telephone number and the premises address of the company licensed to engage in the business of towing.”

59. The receipts produced by Instant Recovery contain check boxes for “CASH” or “CREDIT CARD,” however, Instant Recovery frequently fails to check the appropriate box, and therefore fails to produce receipts stating the method of payment as required by law.

60. In total, 94 of the 445 receipts produced fail to state the method of payment.

61. In addition, although licensed tow truck companies are required to accept credit cards pursuant to NYC Code § 20-527, every receipt Instant Recovery produced for which a method of payment was selected was identified as a “cash” payment.

62. The likelihood of every consumer voluntarily selecting to make a payment of over \$200 in cash rather than credit card is highly questionable, especially in light of the many consumers who have complained to the Department that Instant Recovery demands cash payments and refuses to accept credit cards.

63. Instant Recovery’s failure to provide appropriate receipts is in violation of the NYC Code and Rules, and is indicative of Instant Recovery’s persistent disregard for the law.

IV. RESPONDENT FAILED TO MAINTAIN AND PRODUCE ITS RECORDS AS REQUIRED BY LAW

64. On May 22, 2025, the Department served a document demand on Instant Recovery (the “Demand”) requesting that Instant Recovery produce, by June 6, 2025, the following documents from the period of January 1, 2025 to the date of production:

- a. All invoices for towing services, records of credit card payments for towing services (if applicable), and completed authorizations to tow in chronological order, that Instant Recovery is required to maintain pursuant to 6 RCNY § 2-363(e)(1) and that Instant Recovery is required to maintain electronically under 6 RCNY §§ 2-378(a)(2)(i)-(iii).
- b. All itemized receipts provided to consumers for towing services performed by Instant Recovery pursuant to 6 RCNY § 2-366(d), that Instant Recovery is required to maintain electronically under 6 RCNY § 2-378(a)(2)(ii). The receipt must state the amount of charges, for what services charges were made, the location from which the vehicle was towed and the location to which the vehicle was towed, the method of payment and the date services were rendered. This receipt must also state the schedule of rates, if applicable, and the license number, the telephone number, and Instant Recovery’s premise address.
- c. All written authorizations completed by owners of private property for the removal of vehicles improperly parked on private property showing the date, time, location, make, model, color, license plate number of the vehicle to be removed, and the name, title, and signature of the person authorizing the towing, as required by NYC Code § 19-169.1(c) and 6 RCNY § 2-

377(h), that Instant Recovery is required to maintain electronically pursuant to 6 RCNY § 2-378(e)(1).

- d. All completed trip records for the removal of vehicles improperly parked on private property, required to be maintained by NYC Code § 19-169.1(f), and that Instant Recovery is required to maintain electronically pursuant to 6 RCNY § 2-378(e)(2).
- e. All signed receipts of the person paying removal and storage charges, as required by NYC Code § 19-169.1(h), and that Instant Recovery is required to maintain electronically pursuant to 6 RCNY § 2-378(e)(2).
- f. All contracts entered into by Instant Recovery arranging for towing services at private parking lots that were current between January 1, 2025 through the present, as required to be maintained by NYC Code § 19-169.1(c), and that Instant Recovery is required to maintain electronically pursuant to 6 RCNY § 2-378(e)(3).
- g. Documents relating to consumer complaints for tows occurring between December 31, 2024 and May 21, 2025.

65. Instant Recovery did not provide any response by the document production deadline.

66. On or about June 17, 2025, DCWP served upon Instant Recovery a notice of intent to suspend its tow truck company license number 2125390-DCWP (the “Notice of Intent to Suspend”) pending compliance with the Demand.

67. The Notice of Intent to Suspend stated that Instant Recovery would be given an opportunity to be heard on July 8, 2025. On that date, Jake Rios (“Mr. Rios”), the Chairman and

100% shareholder of Instant Recovery, appeared at a meeting and spoke with the Department. At this meeting, and in other communications with the Department, Mr. Rios represented that he had not maintained his records electronically and would need more time to scan them in order to respond to the Demand.

68. Following this meeting, by email dated July 8, 2025, the Department agreed to permit Instant Recovery until July 25, 2025 to submit documents in response to the Demand before issuing a final determination on the Notice of Intent to Suspend.

69. On July 26 and July 28, 2025, Instant Recovery produced a portion of the requested documents by email. However, Instant Recovery failed to produce all the documents requested and thereby failed to comply with the Demand.

70. Instant Recovery's response to the Demand, including the documents produced and those never produced, demonstrates that the business has failed to maintain all records required under DCWP's laws and rules, and has failed to abide by the laws and rules in its licensed activity.

71. When Instant Recovery eventually produced a portion of the requested documents—which only occurred after receiving notice of the Department's intent to suspend its license for noncompliance—the files were incomplete and were not maintained in the correct form as required by 6 RCNY § 2-378.

72. Instant Recovery only produced documents from February 1, 2025 to June 30, 2025, and entirely failed to produce any records January 1, 2025 to January 31, 2025, or from July 1, 2025 to July 28, 2025, the date of production. Accordingly, Instant Recovery failed to produce almost two months of documents it is required to maintain and produce to the Department upon request pursuant to 6 RCNY § 1-16 and NYC Code § 20-516.

73. In addition, Instant Recovery also failed to produce any contracts for towing services at private parking lots, as required to be maintained by NYC Code § 19-169.1(c) and required to be maintained electronically pursuant to 6 RCNY § 2-378(e)(3), despite producing receipts for *440 tows* from at least *40 different private lots*.

74. Further, the documents that Instant Recovery did produce for the period of February 1, 2025 to June 30, 2025 were not in compliance with the requirements for record maintenance: The documents were not

- a. Properly labeled with Instant Recovery’s license number, the license plate number of the vehicle towed, and the date of the tow; and
- b. Saved in electronic files appropriately labeled with the date on which the tow was performed.

75. Accordingly, Instant Recovery failed to abide by the record-keeping requirements under the laws and rules.

VIOLATIONS

COUNT ONE

*Charging consumers in excess of the permissible statutory fees for removal and/or storage of a vehicle parked in front of a driveway in violation of
NYC Code § 19-169(c)(8)
(at least 5 violations)*

76. NYC Code § 19-169(c)(8) provides that a licensed tow truck company which removes a vehicle parked in front of a blocked driveway, as provided in NYC Code § 19-169, may collect \$125.00 for the removal and first three days of storage of the vehicle, and up to \$15.00 per day for storage thereafter from the owner of the vehicle.

77. Respondent committed at least five violations of NYC Code § 19-169(c)(8) by overcharging consumers whose vehicles were towed for allegedly blocking a driveway.

78. On this count, Petitioner seeks restitution for overcharged consumers in an amount no less than \$375.00.

COUNT TWO

*Charging consumers in excess of the permissible statutory fees for removal and/or storage of a vehicle improperly parked on private property in violation of
NYC Code § 19-169.1(a)
(at least 439 violations)*

79. NYC Code § 19-169.1(a) provides that when a licensed tow truck company removes a vehicle which is purportedly improperly parked on private property “pursuant to a contract between the owner of the private property and the licensed tow operator” the tow truck company may collect “up to but not more than” \$125.00 for removal and the first three days of storage and “up to but not more than” \$15.00 per day for storage thereafter.

80. Respondent committed at least 439 violations of NYC Code § 19-169.1(a) by overcharging consumers whose vehicles were towed for allegedly being improperly parked on private property.

81. On this count, Petitioner seeks restitution for overcharged consumers in an amount no less than \$33,475.00.

COUNT THREE

*Removal of a vehicle parked in front of a driveway without written authorization from owner or lessee of property in violation of
NYC Code § 19-169(c)(1)
(at least 5 violations)*

82. NYC Code § 19-169(c)(1) provides that “[n]o vehicle may be removed pursuant to this section [regarding removal of vehicle parked in front of a private driveway] without the express written authorization” issued to a licensed tow truck operator. Furthermore “[s]uch authorization shall include the location of the vehicle to be removed, the make, model, color and license plate number of such vehicle and a statement that such vehicle was removed pursuant to a

notice of parking violation and shall be signed by the owner of such property, or his or her lessee, prior to removal.” *Id.*

83. Respondent committed at least five violations of NYC Code § 19-169(c)(1) by failing to obtain express written authorization prior to towing vehicles allegedly parked in front of a driveway.

COUNT FOUR

*Removal of a vehicle improperly parked on private property without proper written authorization from property owner or agent in violation of
6 RCNY § 2-377(h)
(at least 440 violations)*

84. 6 RCNY § 2-377(h) provides that “[n]o tow operator shall remove a vehicle from private property without first obtaining written authorization from the owner of such property or the owner’s agent who has been designated in writing to authorize such towing. The written authorization must be legible and shall include the date, time, location, make, model, color, and license plate number of the vehicle to be removed, and the name, title and signature of the person authorizing the towing. The licensee shall provide the owner or operator of the towed vehicle a copy of such authorization that also includes an itemized list of the fees that may be collected for the towing and storage of a vehicle towed from the property.”

85. Respondent committed at least 440 violations of 6 RCNY § 2-377(h) by failing to obtain complete written authorization to tow prior to towing vehicles allegedly improperly parked on a private lot.

COUNT FIVE

*Failure to maintain and produce an electronic copy of contracts with private property owners in violation of
6 RCNY § 2-378(e)(3)
(at least 40 violations)*

86. 6 RCNY § 2-378(e)(3) provides that “[a] licensee that performs towing services

from private property must make an electronic copy of every contract between the licensee and the owner of private property required by § 19-169.1(c) of the Code.” Furthermore, this electronic copy “must be labeled with the address of the private property, the name of the owner of the private property and the date of the contract.” *Id.*

87. Respondent committed at least 40 violations of 6 RCNY § 2-378(e)(3) by failing to maintain and/or produce electronic copies of contracts to tow for addresses from which they completed private property tows.

COUNT SIX

Failure to provide a signed receipt for the removal of a vehicle improperly parked on private property in violation of NYC Code § 19-169.1(h) (at least 6 violations)

88. NYC Code § 19-169.1(h) provides that “[a] detailed, signed receipt showing the legal name of the person or company removing the vehicle must be given to the person paying the removal and storage charges at the time of payment” for the removal of a vehicle improperly parked on private property.

89. Respondent committed at least six violations of NYC Code § 19-169.1(h) by failing to provide consumers with an appropriate, signed receipt.

COUNT SEVEN

Failure to provide a receipt which includes the method of payment in violation of 6 RCNY § 2-366(d) (at least 94 violations)

90. 6 RCNY § 2-366(d) provides that “[a]ll tow truck operators must issue a clearly written itemized receipt for towing services for which they have been paid” and, in relevant part “[t]his receipt must state . . . the method of payment.”

91. Respondent committed at least 94 violations of 6 RCNY § 2-366(d) by failing to

provide consumers with an appropriate receipt stating the method of payment.

COUNT EIGHT

*Failure to maintain and/or produce required documents in violation of
NYC Code § 20-516
(at least one violation)*

92. NYC Code § 20-516 provides that “[e]very person licensed to engage in towing shall maintain records, ledgers, receipts, bills and such other written records as the commissioner may prescribe by regulation in electronic format. Such records shall be made available for inspection by the commissioner at his or her request at either the licensee’s place of business or at the offices of the department for a period of five years.”

93. In response to the Department’s Demand for documents that tow truck licensees are required to maintain and produce, Instant Recovery failed to produce all requested documents.

94. Instant Recovery failed entirely to produce requested documents for the period from January 1, 2025 to January 31, 2025 and from July 1, 2025 to the date of production.

95. Respondent committed at least one violation of NYC Code § 20-516 by its failure to comply with the Demand.

COUNT NINE

*Failure to maintain required electronic records in required form in violation of
6 RCNY § 2-378
(at least 442 violations)*

96. 6 RCNY § 2-378 provides that every licensed tow company must “maintain records in an electronic format concerning every tow performed under the authority . . . to remove vehicles improperly parked on private property provided by § 19-169.1 of the Administrative Code.”

97. Specifically, 6 RCNY § 2-378(a)(1) provides that licensees are required to “create an electronic folder in which it will maintain electronic copies of records for each tow. The licensee must label each electronic folder with the date on which the tow was performed, and must enter

the date as ‘YYYYMMDD.’ The licensee must maintain the electronic folders in chronological order.”

98. “Each electronic folder must contain an electronic copy of each of the following documents: (i) a completed authorization to tow, (ii) a receipt for the towing services, and (iii) a copy of the credit card record of payment for the towing services, if any.” 6 RCNY § 2-378(a)(2).

99. Furthermore, “[e]ach electronic copy of a document concerning a tow must be labeled electronically with (i) the licensee’s DCA license number, (ii) the license plate number and state of issuance of the vehicle towed, and (iii) the date of the tow, which must be entered as ‘YYYYMMDD.’” 6 RCNY § 2-378(g)(3).

100. “Each electronic copy must be electronically labeled with the date and time that the file was created” and licensees “must save the electronic records required by this section” at least once a week. 6 RCNY § 2-378(g)(4)-(5).

101. Respondent failed to abide by the above-stated provisions of the Rules. Not only did Respondent disclose to the Department that they had failed to maintain their files electronically, when they did produce electronic copies of some of the documents requested in the Demand, it was apparent that such documents had not been saved in the required format. Respondent failed to maintain electronic copies of towing records in electronic folders labeled with the date and maintained in chronological order (at least one count), failed to label each record with their license number, the license plate number and state of issuance of the vehicle towed, and the date of the tow, which must be entered as “YYYYMMDD” (at least 440 counts), and failed to save the electronic records required to be maintained at least once a week (at least one count).

102. In total, Respondent committed at least 442 violations of 6 RCNY § 2-378 by its

failure to comply with the records-maintaining requirements.

RELIEF SOUGHT

WHEREFORE, the Department respectfully requests that OATH issue a Report and Recommendation pursuant to NYC Charter § 2203(h)(1) recommending the following:

1. Revocation of Respondent’s license to do business as a tow truck company pursuant to NYC Code §§ 20-104(e)(1), 20-504(a), and 20-504.1, or, in the event that revocation is not granted, suspension of Respondent’s license to do business as a tow truck company;
2. Ordering Respondent to pay the civil penalties set forth in Exhibit 1;
3. Ordering Respondent to pay restitution (in a total amount no less than \$33,850.00) to affected consumers, presently known or unknown, in an amount to be determined at trial, pursuant to NYC Code § 20-104(e)(2); and
4. Such other and further relief as is deemed just and proper.

Dated: February 23, 2026
New York, New York

For: Samuel A.A. Levine, Commissioner
New York City Dept. of Consumer and
Worker Protection

By: 

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To: Attn.: Jake Rios
INSTANT RECOVERY CORP.
423 Bronx Park Ave
Bronx, NY 10460

EXHIBIT 1

INSTANT RECOVERY CORP.
SUMMARY OF VIOLATIONS AND POTENTIAL PENALTIES

	Type of Violation	Minimum Number of Violations	Citation	Maximum Penalty per Violation at Hearing	Total Potential Penalties at Hearing	Maximum Penalty per Violation on Default	Total Potential Penalties on Default
1	Charging consumers in excess of the permissible statutory fees for removal and/or storage of a vehicle parked in front of a driveway.	5	NYC Code § 19-169(c)(8)	\$500	\$2,500	\$500	\$2,500
2	Charging consumers in excess of the permissible statutory fees for removal and/or storage of a vehicle improperly parked on private property.	439	NYC Code § 19-169.1(a)	\$500	\$219,500	\$500	\$219,500
3	Removal of a vehicle parked in front of a driveway without written authorization from owner or lessee of property.	5	NYC Code § 19-169(c)(1)	\$500	\$2,500	\$500	\$2,500
4	Removal of a vehicle improperly parked on private property without written authorization from property owner or agent.	440	6 RCNY § 2-377(h)	\$1,875	\$825,000	\$2,500	\$1,100,000

Type of Violation		Minimum Number of Violations	Citation	Maximum Penalty per Violation at Hearing	Total Potential Penalties at Hearing	Maximum Penalty per Violation on Default	Total Potential Penalties on Default
5	Failure to maintain and produce an electronic copy of contracts with private property owners.	40	6 RCNY § 2-378(e)(3)	\$1,875	\$75,000	\$2,500	\$100,000
6	Failure to provide a signed receipt for removal of a vehicle improperly parked on private property at the time of payment.	6	NYC Code § 19-169.1(h)	\$500	\$3,000	\$500	\$3,000
7	Failure to provide an invoice which includes the method of payment.	94	6 RCNY § 2-366(d)	\$1,875	\$176,250	\$2,500	\$235,000
8	Failure to maintain and produce required documents.	1	NYC Code § 20-516	\$1,875	\$1,875	\$2,500	\$2,500
9	Failure to maintain required electronic records in the appropriate format.	442	6 RCNY § 2-378	\$1,875	\$828,750	\$2,500	\$1,105,000
					\$2,134,375		\$2,770,000