

**UNITED STATES DISTRICT COURT
FOR NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

UNITED STATES OF AMERICA,

Case No.

Plaintiff,

**STIPULATED ORDER FOR
PERMANENT INJUNCTION AND
CIVIL PENALTY JUDGMENT**

v.

NEW WORLD AUTO IMPORTS, INC., a
corporation, also d/b/a Southwest Kia,

NEW WORLD AUTO IMPORTS OF
ROCKWALL, INC., a corporation, also
d/b/a Southwest Kia and Southwest Kia of Rockwall,

and

HAMPTON TWO AUTO CORPORATION, a
corporation, also d/b/a Southwest Kia and Southwest
Kia-NW, and Southwest Kia Mesquite,

Defendants.

- a. In any communication that is solely visual or solely audible, the disclosure must be made through the same means through which the communication is presented. In any communication made through both visual and audible means, such as a television advertisement, the disclosure must be made visually or audibly.

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personal, family, or household purposes, as set forth in Section 226.2(a)(12) of Regulation Z, 12

notice of this Order, whether acting directly or indirectly, in connection with any advertisement for the purchase, financing, or leasing of motor vehicles are permanently restrained and enjoined from, expressly or by implication:

- A. Misrepresenting the cost of purchasing a vehicle with financing, including but not necessarily limited to, the amount or percentage of the down payment, the number of payments or period of repayment, the amount of any payment, and the repayment obligation over the full term of the loan, i

of repayment, the amount of any payment, or the amount of any finance charge, without disclosing clearly and conspicuously all of the following terms:

1. The amount or percentage of the down payment;
2. The terms of repayment; and
3. If the annual percentage rate may be increased after consummation of the credit transaction, that fact must also be disclosed; or

B. stating using the abbrevia

C. failing to comply in any respect with Regulation Z, 12 C.F.R. Part 226, as amended, and the Truth in Lending Act, as amended, 15 U.S.C. §§ 1601-1667.

III. PROHIBITION AGAINST VIOLATING THE CONSUMER LEASING ACT

IT IS FURTHER ORDERED that Defendants attorneys, and all other persons in active concert and participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with any advertisement for any consumer lease, are permanently restrained and enjoined from, expressly or by implication:

- A. Stating the amount of any payment or that any or no initial payment is required at lease inception, without disclosing clearly and conspicuously the following terms:
 1. That the transaction advertised is a lease;
 2. The total amount due at lease signing or delivery;
 3. Whether or not a security deposit is required;
 4. The number, amounts, and timing of scheduled payments; and

5. That an extra charge may be imposed at the end of the lease term in a lease in which the liability of the consumer at the end of the lease term is based on the anticipated residual value of the vehicle; or
- B. failing to comply in any respect with Regulation M, 12 C.F.R. Part 213, as amended, and the Consumer Leasing Act, 15 U.S.C. §§ 1667-1667f, as amended.

IV.

acknowledgment of receipt of this Order sworn under penalty of perjury.

- B. For 20 years after entry of this Order, each Defendant must deliver a copy of this Order to:
- (1) all principals, officers, directors, and dealership managers; (2) all employees, agents, and representatives who participate in conduct related to the subject matter of the Order, including advertising, financing, leasing, and sales; and (3) any business entity resulting from any change in structure as set forth in the Part titled Compliance Reporting. Delivery must occur within 14 days of entry of this Order for current personnel. For all others, delivery must occur before they assume their responsibilities.
- C. From each individual or entity to which a Defendant delivered a copy of this Order that Defendant must obtain, within 30 days, a signed and dated acknowledgment of receipt of this Order.

VI. COMPLIANCE REPORTING

IT IS FURTHER ORDERED that Defendants make timely submissions to the Commission:

- A. One year after entry of this Order, each Defendant must submit a compliance report, sworn under penalty of perjury. Each Defendant must:
- (a) identify the primary physical, postal, and email address and telephone number, as designated points of contact, which representatives of the Commission and Plaintiff may use to communicate with Defendant;
- (b) identify all of that Defendant's businesses by all of their names, telephone numbers, and physical, postal, email, and Internet addresses; (c) describe the activities of each business, including the products and services offered, the means of advertising, marketing, and sales, and the involvement of any other Defendant; (d) describe in detail whether and how that Defendant is in compliance with each Section of this Order; and (e) provide a copy of each acknowledgement of this Order obtained pursuant to this Order, unless previously

submitted to the Commission.

B. For 20 years after entry of this Order, each Defendant must submit a compliance notice, sworn under penalty of perjury, within 14 days of any change in the following: (a) any designated point of contact; or (b) the structure of any Defendant or any entity that Defendant has any ownership interest in or controls directly or indirectly that may affect compliance obligations arising under this Order, including: creation, merger, sale, or dissolution of the entity or any subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order.

C. Each Defendant must submit to the Commission notice of the filing of any bankruptcy petition, insolvency proceeding, or similar proceeding by or against such Defendant within

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VII. RECORDKEEPING

IT IS FURTHER ORDERED that Defendants must create certain records for 20 years after entry of this Order, and retain each such record for five 5 years. Specifically, Defendants must maintain the following records:

- A. Accounting records showing the revenues from all goods or services related to the subject matter of this Order sold, all costs incurred in generating those revenues, and the resulting net profit or loss. Revenues from consumer credit transactions shall be set forth separately from revenues from consumer lease transactions, and both of the foregoing shall be set forth separately from all other revenues;
- B. Personnel records showing, for each person providing services related to the subject matter of this Order

present.

- C. The Commission and Plaintiff may use all other lawful means, including posing, through its representatives as consumers, suppliers, or other individuals or entities, to Defendants or any individual or entity affiliated with Defendants, without the necessity of identification or prior notice. Nothing in this Order limits the Commission's lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1.

IX. RETENTION OF JURISDICTION

IT IS FURTHER ORDERED that this Court retains jurisdiction of this matter for purposes of construction, modification, and enforcement of this Order.

SO ORDERED this _____ day of _____, 2016.

HON. ED KINKEADE
UNITED STATES DISTRICT JUDGE

FEDERAL TRADE COMMISSION

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