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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

<p>FEDERAL TRADE COMMISSION, Plaintiff, v. UNIVERSAL CITY NISSAN, INC., et al. Defendants.</p>	<p>Case no 2:16-cv-07329-CAS(AJWx) <i>Honorable Christina A. Snyder</i> (PROPOSED) STIPULATED PRELIMINARY INJUNCTION ORDER</p>
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THIS MATTER comes before the Court upon the stipulation of Plaintiff, the Federal Trade Commission (“Commission” or “FTC”) and Defendants Covina MJL, LLC, also d/b/a Sage Covina Chevrolet; Glendale Nissan/Infiniti, Inc., also d/b/a Glendale Infiniti and d/b/a Glendale Nissan; Sage Downtown, Inc., also d/b/a Kia Of Downtown Los Angeles; Sage Holding Company, Inc.; Sage Management Co., Inc.; Sage North Hollywood, LLC, also d/b/a Sage Pre-Owned; Sage Vermont, LLC, also d/b/a Sage Hyundai; Universal City Nissan, Inc., also d/b/a Universal Nissan; Valencia Holding Co., LLC, also d/b/a Mercedes-Benz Of Valencia; West Covina Auto Group, LLC, also d/b/a West Covina Toyota and d/b/a West Covina Toyota/Scion; West Covina Nissan, Inc.; Joseph Schrage, a/k/a Joseph Sage; Leonard Schrage, a/k/a Leonard Sage, and Michael Schrage, a/k/a

1 Michael Sage (collectively, “Defendants”) for the entry of a stipulated preliminary
2 injunction order (“Order”) to resolve the Commission’s Motion for a Preliminary
3 Injunction (“Motion”) seeking preliminary relief in connection with the acts and
4 practices alleged in the Complaint relating to Counts I-II and IV-XI.

5 Having considered the stipulation of the parties, and being otherwise
6 advised, the Court makes the following findings of fact and conclusions of law:

7
8 **FINDINGS**

9 1. The FTC and Defendants have stipulated and agreed to the entry of
10 this preliminary injunction order without any admission of wrongdoing or violation
11 of law, and without a finding by the Court of law or fact other than stated below.

12 2. Defendants waive all rights to seek judicial review or otherwise
13 challenge or contest the validity of their Stipulation hereto or this Order.

14 3. This Court has jurisdiction over the subject matter of this case and all
15 parties hereto, and venue in ~~Defendants’ home state of California~~ ^{Defending of 224)} ~~the District of Columbia~~ ^{Defendants’ home state of California} ~~under the Federal Arbitration Act~~ ^{Defendants’ home state of California} ~~because the parties have agreed to arbitrate~~ ^{Defendants’ home state of California} ~~the dispute.~~ ^{Defendants’ home state of California}

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1 7. As an agency of the United States, no security is required of the
2 Commission for issuance of a preliminary injunction. Fed. R. Civ. P. 65(c).

3 **ORDER DEFINITIONS**

4 For the purpose of this Order, the following definitions apply:

5 A. **“Advertisement”** means a commercial message in any medium that
6 directly or indirectly promotes a consumer transaction.

7 B. **“Clearly and conspicuously”** means that a required disclosure is
8 difficult to miss (i.e., easily noticeable) and easily understandable by ordinary
9 consumers, including in all of the following ways:

- 10 1. In any communication that is solely visual or solely audible, the
11 disclosure must be made through the samu1 -0.0hat is -1i-0.0hat isi9xi.l.ollowF1

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1. Purchasing a vehicle with financing, including but not 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 obligations over the full term of the loan, including any balloon payment; or

2. Leasing a vehicle, including but not limited to: the total amount due at lease inception, the down payment, amount down, acquisition fee, capitalized cost reduction, any other amount required to be paid at lease inception, and the amounts of all monthly or other periodic payments.

B. The existence, amount, or availability of any discount, rebate, bonus, incentive, or price;

C. That Defendants will pay all or any portion of any loan or lease balance remaining on a trade-in vehicle, or whether the consumer will be responsible for paying all or any portion of any remaining loan or lease balance;

D. Any restriction, limitation, or condition applicable to the finance or purchase of vehicles for the advertised terms, including whether such terms are lease or credit offers; or

E. Any aspect of any opinion, belief, finding, or experience of any person, including, but not limited to, that any such opinions, beliefs, findings, or experiences are independent or objective.

1 lease, sale or lease, or servicing of motor vehicles, are preliminarily restrained and
2 enjoined from making any representation, expressly or by implication, about:

3 A. A discount, rebate, bonus, incentive, or price unless the representation
4 is not otherwise misleading and the representation clearly and conspicuously
5 discloses any material qualifications or restrictions, including but not limited to
6 qualifications or restrictions on: (i) a consumer's ability to obtain the discount,
7 rebate, bonus, incentive, or price and (ii) the vehicles available at the discount,
8 rebate, bonus incentive, or price; t17262o e at th7ID 3 BDC 0.0006 Tc -0.0017 Tw 2.575 0(An c

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1 **VI. PRESERVATION OF RECORDS**

2 **IT IS FURTHER ORDERED** that Defendants, Defendants’ officers,
3 agents, employees, attorneys, and those persons or entities in active concert or
4 participation with any of them, who receive actual notice of this Order, whether
5 acting directly or indirectly, are hereby preliminarily restrained and enjoined from
6 destroying, erasing, mutilating, concealing, altering, transferring, or otherwise
7 disposing of, in any manner, directly or indirectly, any documents, including, but
8 not limited to electronically stored information, voicemail, or text messages on
9 personal devices or e-mail accounts, that relate to the business practices,
10 advertising or marketing, or business or finances, of Defendants, or an entity
11 directly or indirectly under the control of Defendants.

12 **VII. NOTICE OF FINANCIAL TRANSACTIONS, NEW ENTITIES, AND**
13 **LITIGATION**

14 **IT IS FURTHER ORDERED** that Defendants shall provide counsel for the
15 Commission with notice of the following while this Order is in effect:

16 A. Any transfer by any Corporate Defendants of any money or tangible
17 or intangible assets or any expenditure with a value of over \$100,000 from the date
18 of entry of this Order at least five (5) business days prior to such transfer or
19 expenditure. Such notice shall include: (1) the name of the recipient; (2) the
20 recipient’s address and telephone number; and (3) a detailed description of the
21 purpose of such transfer or expenditure. This provision shall not apply to (i) any
22 bona-fide, arms-length motor vehicle transaction of the Defendants or (ii) any
23 expenditure incurred in the normal course of business by Corporate Defendants,
24 such as payroll or tax obligations;

25 B. Any new business entity, whether newly formed or previously
26 inactive, including any partnership, limited partnership, joint venture, sole
27 proprietorship, or corporation, directly or indirectly, created, operated, or
28 controlled by any Defendant at least five (5) business days prior to any such action.

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