UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF NEW YORK

FEDERAL TRADE COMMISSION, Plaintiff, v. 324 W MERRICK AVE AUTO, LLC, a limited liability company d/b/a Stream Auto Outlet; 189 SUNRISE AUTO AMITYVILLE LLC, a limited liability company d/b/a Stream Auto Outlet; and 2232 SUNRISE HWY AUTO LLC, a limited liability company d/b/a Stream Auto Outlet, Defendants.	**Case No. 26-CV-7217** **COMPLAINT FOR PERMANENT INJUNCTION AND OTHER RELIEF**

Plaintiff, the Federal Trade Commission ("FTC" or "Commission"), for its Complaint alleges:

1. The FTC brings this action for Defendants' violations of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a). Defendants' violations relate to deceptive practices in the advertising, marketing, promotion, offering for sale, lease, or financing, and sale, lease, or financing of motor vehicles. Defendants systematically deceive consumers shopping for motor vehicles by charging them thousands of dollars more than the prices Defendants advertise. For these violations, the FTC seeks relief, including a permanent injunction and other relief, pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(b).

SUMMARY OF THE CASE

2. Defendants mislead consumers into visiting their dealerships by advertising their

vehicles online at artificially low prices. When consumers attempt to purchase the vehicles they have seen, Defendants refuse to honor the prices in their online listings. Instead, Defendants systematically inflate the prices, including by charging consumers thousands of dollars in down payments that Defendants require consumers to pay on top of the advertised price.

3. Despite consumer complaints, private lawsuits, and even a warning letter from the FTC in March 2026 concerning their pricing practices, Defendants continue to deceive consumers and employ a variety of tactics to charge consumers substantially more than the price Defendants advertise, including tacking on dealer-imposed fees and requiring consumers to buy additional items not reflected in the advertised price.

4. A central effect of Defendants' deceptive pricing practices is that, by advertising prices that are lower than what consumers ultimately must pay, Defendants are harming consumers and competition. For example, by obscuring the price, Defendants prevent consumers from readily determining and comparing the price of purchasing one of Defendants' vehicles versus the price offered by competing dealers. Defendants' conduct distorts the competitive process by impeding consumers' ability to make informed choices and by undermining price transparency. Through these deceptive practices, Defendants unlawfully take advantage of consumers and competitors alike.

JURISDICTION AND VENUE

5. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1337(a), and 1345.

6. Venue is proper in this District under 28 U.S.C. § 1391(b)(1), (b)(2) and (c)(2), and 15 U.S.C. § 53(b).

PLAINTIFF

7. The FTC is an agency of the United States Government created by the FTC Act,

which authorizes the FTC to commence this district court civil action by its own attorneys. 15 U.S.C. §§ 41–58. The FTC enforces Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce.

DEFENDANTS

8. Defendant 189 Sunrise Auto Amityville LLC, also doing business as Stream Auto Outlet ("Stream Auto Outlet – Amity"), is a New York limited liability company with its principal place of business at 189 Sunrise Highway, Amityville, New York 11701. Stream Auto Outlet – Amity transacts or has transacted business in this District.

9. Defendant 324 W Merrick Ave Auto, LLC, also doing business as Stream Auto Outlet ("Stream Auto Outlet – Valley Stream"), is a New York limited liability company with its principal place of business at 324 West Merrick Road, Valley Stream, New York 11580. Stream Auto Outlet – Valley Stream transacts or has transacted business in this District.

10. Defendant 2232 Sunrise HWY Auto LLC, also doing business as Stream Auto Outlet ("Stream Auto Outlet – Islip"), is a New York limited liability company with its principal place of business at 2232 Sunrise Highway, Islip, New York 11751. Stream Auto Outlet – Islip transacts or has transacted business in this District.

COMMON ENTERPRISE

11. Defendants have operated as a common enterprise while engaging in the deceptive acts and practices alleged below. Defendants have conducted the business practices described below through an interrelated network of companies that have common ownership, employees, business functions, advertising, and corporate service addresses. Because Defendants have operated as a common enterprise, each of them is liable for the acts and practices alleged below.

COMMERCE

12. At all times relevant to this Complaint, Defendants have maintained a substantial course of trade in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

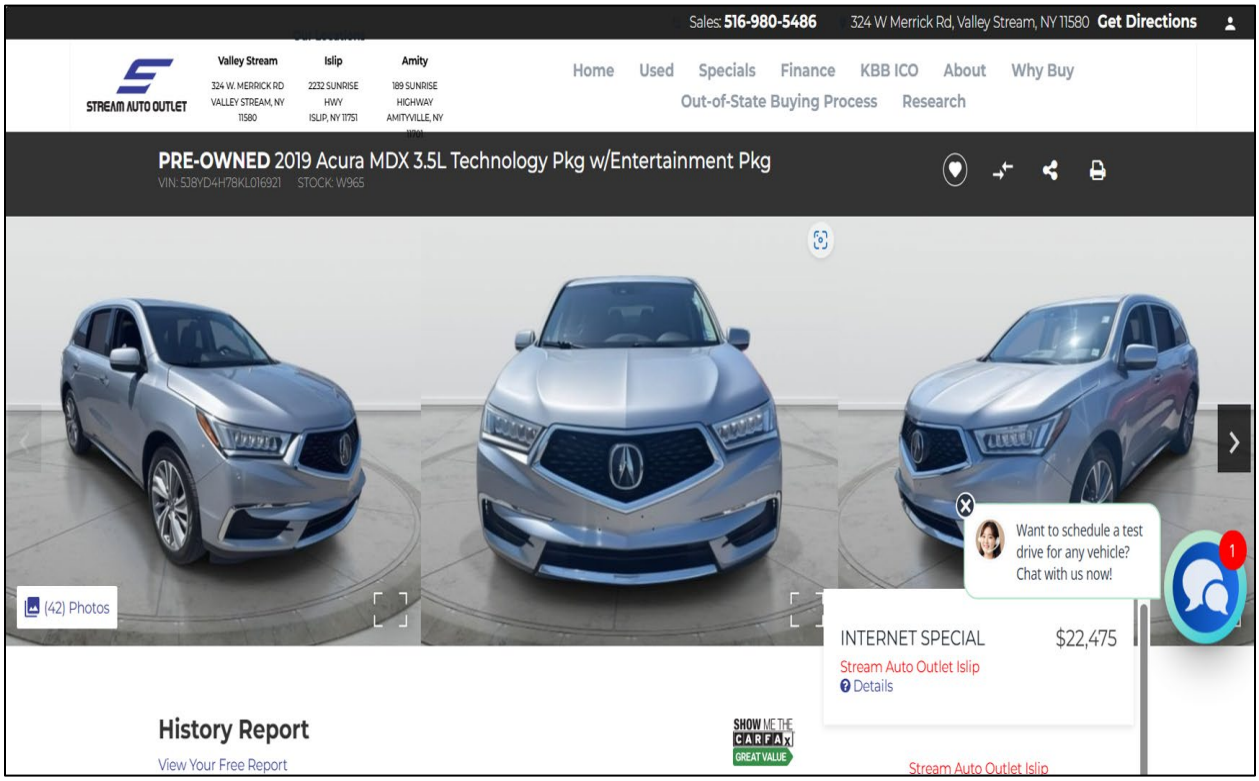
DEFENDANTS' BUSINESS ACTIVITIES

Stream Auto Outlet's Deceptive Advertising

13. Stream Auto Outlet – Amity, Stream Auto Outlet – Valley Stream, and Stream Auto Outlet – Islip operate as automobile dealerships collectively doing business as Stream Auto Outlet. Defendants are hereinafter referred to collectively as the "Defendants" or "Stream Auto Outlet."

14. In online advertisements on their websites and third-party websites, Defendants lure consumers to their dealerships by representing that specific vehicles are available for purchase at specific low prices. For example, on their websites, Defendants advertise an "INTERNET SPECIAL" in capitalized text with a specific dollar amount, as in the following March 2026 listing:

Figure 1

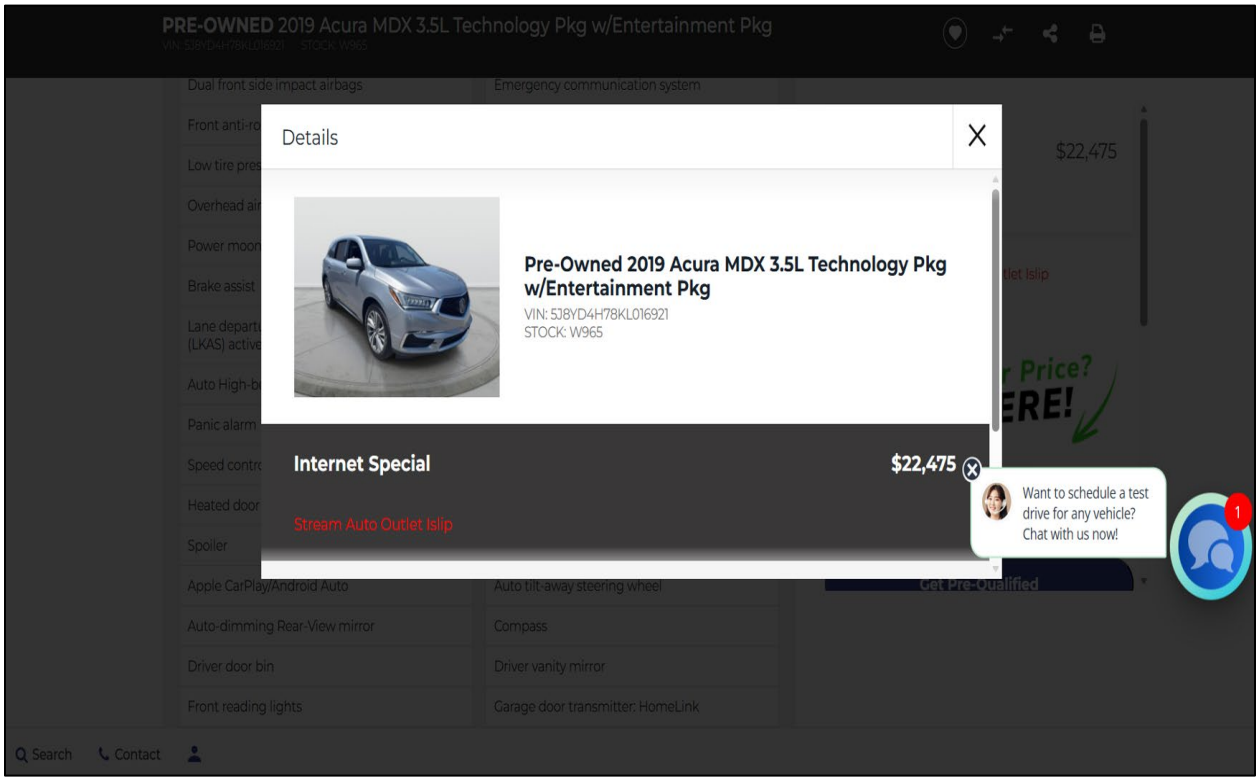


15. The price advertised in Defendants' online vehicle listings, however, is not the actual price. The actual price Defendants charge consumers to purchase the advertised vehicle is often thousands of dollars more.

16. For example, Defendants have charged consumers a down payment of thousands of dollars on top of the advertised price. When consumers have complained about Defendants charging more than advertised, Defendants have responded that their advertisements include disclaimers.

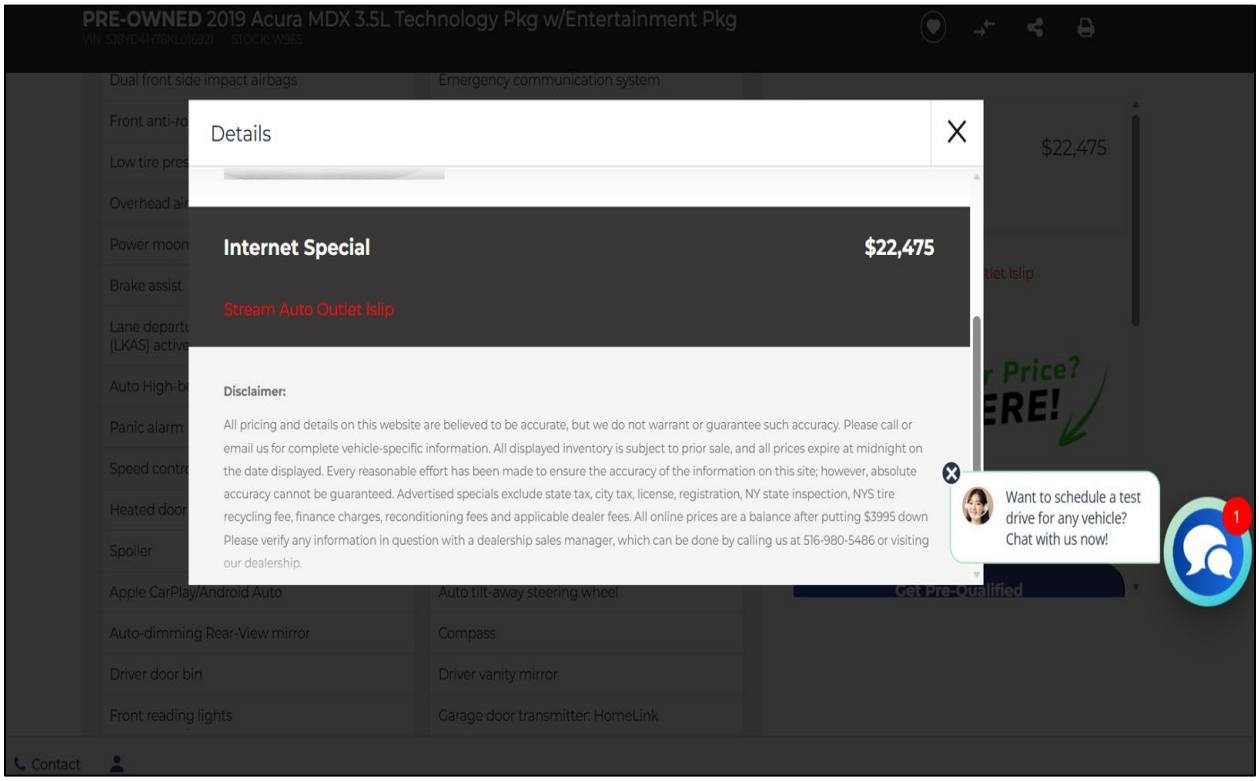
17. To arrive at such disclaimers on Defendants' websites, consumers first would have had to select the "Details" hyperlink depicted in Figure 1. After clicking the hyperlink, a popup window appears. It shows the vehicle and then repeats the "Internet Special" price.

Figure 2



18. If the consumer clicks the "X" at the top right corner of the popup window, the popup window disappears. If, instead, the consumer clicks on the chat window on the bottom right, the consumer can schedule a test drive. And if, instead, the consumer notices that behind the chat window there is a scroll bar, and the consumer scrolls down, the following appears:

Figure 3



19. Underneath the Internet Special price, 7 lines of smaller, lighter font appear. If consumers were to continue reading after seeing the prominently displayed price reconfirmed on the page, they would see a sentence beginning "[a]ll pricing and details on this website are believed to be accurate" and additional information stating consumers should call or email for complete information and that cars might be sold. Then there is another sentence regarding efforts to ensure accuracy. Another sentence mentions reconditioning fees, dealer fees, and multiple other fees that are not included in the advertised price – though it does not list the amounts of these fees. And then, 5 lines in, the text further indicates that the advertised price is not the actual price; instead, consumers have to pay a $3,995 down payment. The disclaimer ends by stating that consumers should call or visit the dealership.

20. A similar fine print disclaimer appears multiple screens down at the bottom of

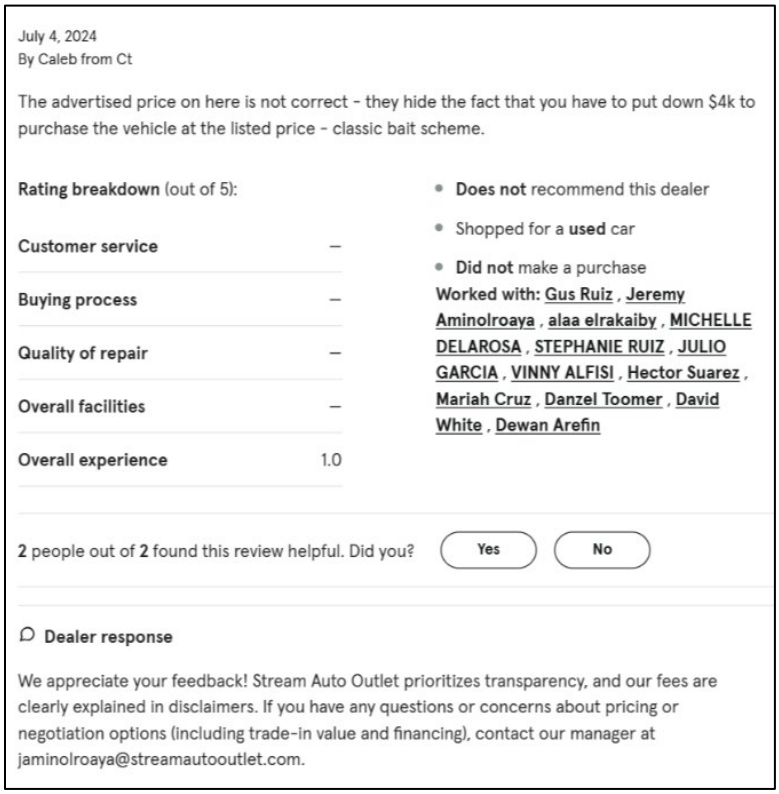
vehicle listings after sections including those titled History Report, Original Window Sticker, Description, Basic Info, and Vehicle Details.

21. Consumers frequently select Stream Auto Outlet dealerships over other dealerships because they expect the advertised price to be the actual price. They take the time to drive to Defendants' dealerships and spend time on the lot – a process that can take well over 4 hours – to get this price.

22. Even when consumers call to confirm the price before making the trek to the dealership, Defendants have confirmed that the advertised price is the actual price, even though it is not. For example, one consumer reported: "I called the Business today and was assured to receive a vehicle at a specific price. I was sent information on the car that reflected price that I wanted to pay from the dealer but when I went to the location, they wanted to charge $4000 more [s]tating that it is listed on their website at the price [that] is reflective after a $4000 down payment." Another consumer reported that a salesperson justified not mentioning the assumed down payment over the telephone because the consumer "didn't 'specifically' ask about that when I spoke to him about price . . . ."

23. In response to multiple complaints that the actual price is thousands of dollars more than the "Internet Special," Defendants do not deny this fact but instead point to "disclaimers." The below is an example response from Stream Auto Outlet:

Figure 4



24. In many instances, Defendants also require consumers to buy additional items not reflected in the advertised price, tack on dealer-imposed fees, and otherwise conceal the true price of cars being sold. For example, one consumer reported having to pay thousands over the stated price. Stream Auto Outlet told the consumer that if he did not purchase a $4,000 warranty and finance that amount with the car loan, Stream Auto Outlet would charge him thousands more for the car. As another example, Stream Auto Outlet added a $1,995 "dealer prep" fee that was excluded from the advertised price.

25. Defendants obscure price increases from consumers during the closing process. Defendants do not inform consumers that the prices the parties have discussed and agreed to are lower than the ones actually listed on dense, multi-page contracts, which require signatures in various places. Instead, they have steered consumers directly to signature pages or have not

given consumers an opportunity to review documents.

26. Consumers often do not discover the true, higher prices of Defendants' vehicles—if at all—until they have invested significant time visiting or communicating with Stream Auto Outlet dealerships.

Defendants' Unlawful Advertising Practices Continue After Repeated Warnings

27. Defendants have long been aware that their price claims mislead consumers.

28. Since at least 2022, Defendants have routinely received and responded to complaints from consumers about Stream Auto Outlet's lack of price transparency and charges for mandatory or unwanted add-on products.

29. On March 11, 2026, the FTC sent a warning letter to Stream Auto Outlet concerning their advertising practices. The letter advised Defendants that they "may be advertising prices for cars that are lower than what you actually charge consumers." It stated that the FTC is committed to "ensuring that the price consumers see in advertising is the actual price they will pay (aside from required government charges, like taxes)," and that it is illegal to advertise "a price that fails to take into account the amount of an additional required down payment." The letter also warned that it is illegal to, among other things, "advertis[e] a price that does not reflect all required fees"; "condition[] the advertised price on consumers using dealer financing"; and "requir[e] consumers to buy additional items not reflected in the advertised price."

30. Defendants continue their unlawful pricing practices despite receiving the FTC's warning letter.

31. Indeed, Defendants added the following language to their website home pages after receiving the FTC's warning letter, "NO FEES[.] NO GAMES. JUST CARS." Similarly, in a section of their websites titled "No Fees Policy", Defendants now promise "**No added fees.**

No surprises at signing." The page goes on to state "Unlike traditional dealerships, we eliminate: ❌ Hidden dealer fees ❌ Negotiation games ❌ Back-and-forth pricing [and] ❌ Wasted time in the showroom."

32. In reality, even after receiving the FTC's warning letter and adding these assurances of price transparency to their websites, Defendants continue to advertise vehicles for thousands less than the actual price they charge. Defendants tack on various dealer-imposed fees, require consumers to buy additional items not reflected in the advertised price, and otherwise conceal the true price of cars being sold.

33. For instance, months after the FTC's warning letter, when a consumer inquired about an advertised price, a representative initially stated there were no fees and confirmed the advertised price was the actual price. Subsequently, when explicitly asked if there were any fees, a second representative revealed that an add-on called LoJack would cost $2,700 for a total of five years and was required to purchase the car. And then, when the representative subsequently provided a quote in writing, the price sheet included not only the additional LoJack fee but more than a thousand dollars in other charges as well, including $895 for a product labeled "Theft Protection DNA" and $175 for a "Doc Fee."

34. In response to an inquiry about the "Doc Fee", the consumer was told the fee was required by the state. In fact, document fees, unlike government-required taxes, are dealer-imposed fees.

35. Where Defendants mention document fees on their websites, they state it is "State Regulated." For example, they state, "Doc Fee (State Regulated)" and list a charge of $175. Where they make such statements, however, they do not state that the dealer retains the Doc Fees and that New York does not require the fees. Under New York law, dealers can neither charge

more than $175 in such fees to New York consumers nor represent in any manner that the fees are required or imposed by the DMV.

36. Defendants continue to advertise cars on their websites and on third party websites at deceptively low prices, with a link to "Details."

37. If the "Details" hyperlink is clicked, there is a new disclaimer that does not mention fees that Defendants charge on top of the price, including the LoJack and Theft Protection DNA Fees discussed above. To the contrary, the new disclaimer begins with the all caps, bold-type claim: "**NO FEES. NO GAMES. JUST CARS.**"

* * *

38. Based on the facts and violations of law alleged in this Complaint, the FTC has reason to believe that Defendants are violating or are about to violate laws enforced by the Commission because, among other things:

- Defendants engaged in their unlawful acts and practices repeatedly over a period of more than five years;
- Defendants engaged in their unlawful acts and practices knowingly;
- Defendants earned significant revenues from engaging in these unlawful acts and practices;
- Defendants continued their unlawful acts or practices despite knowledge of numerous complaints;
- Defendants altered certain practices only after receiving a warning letter from the FTC concerning these practices, but the changes they made simply concealed the unlawful practices; they did not eliminate them;
- Defendants took active steps to conceal their unlawful practices from law

enforcement; and

- Defendants remain in the automotive industry and maintain the means, ability, and incentive to continue their unlawful conduct.

VIOLATIONS OF THE FTC ACT

39. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits "unfair or deceptive acts or practices in or affecting commerce."

40. Misrepresentations or deceptive omissions of material fact constitute deceptive acts or practices prohibited by Section 5(a) of the FTC Act.

Count I

Misrepresentations Regarding Advertised Prices

41. In numerous instances, in connection with the advertising, marketing, promotion, offering for sale, lease or financing, or sale, lease or financing of motor vehicles, including through the means described in Paragraphs 13 through 38, Defendants represent, directly or indirectly, expressly or by implication, that Defendants will sell particular vehicles at specific prices.

42. Defendants' representations as described in Paragraph 41 are false or misleading.

43. Therefore, Defendants' representations as described in Paragraph 41 constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

CONSUMER INJURY

44. Consumers are suffering, have suffered, and will continue to suffer substantial injury as a result of Defendants' violations of the FTC Act. Absent injunctive relief by this Court, Defendants are likely to continue to injure consumers and harm the public interest.

PRAYER FOR RELIEF

Wherefore, the FTC requests that the Court:

A. Enter a permanent injunction to prevent future violations of the FTC Act;

B. Grant preliminary injunctive and ancillary relief as may be necessary to avert the likelihood of consumer injury during the pendency of this action and to preserve the possibility of effective final relief; and

C. Award any additional relief as the Court determines to be just and proper.

Respectfully submitted,

Dated: 11/9/2026

/s/ Allison Brown
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