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

18 **Federal Trade Commission and the**
19 **States of Arkansas; California;**
20 **Colorado; Connecticut; Delaware;**
21 **Florida; Georgia; Illinois; Indiana;**
22 **Maryland; New York; North**
23 **Carolina; Oklahoma; Oregon; South**
24 **Carolina; Utah; Virginia; West**
25 **Virginia; and Wisconsin,**

26 Plaintiffs,

27 v.

28 **Kars-R-Us.com, Inc.**, a corporation
also doing business as Donate Car 2
Veterans and Donation2Charity.com;

No. 2:25-cv-09150

**STIPULATION AS TO ENTRY OF
ORDER FOR PERMANENT
INJUNCTION, MONETARY
JUDGMENT, AND OTHER
RELIEF**

Michael Irwin, individually and as an officer of Kars-R-Us.com, Inc.; and

Lisa Frank, individually and as an officer of Kars-R-Us.com, Inc.,

Defendants.

Plaintiffs, the Federal Trade Commission (“FTC”); the Attorneys General of the states of Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Maryland, New York, North Carolina, Oklahoma, Oregon, Utah, Virginia, West Virginia, and Wisconsin; the Secretary of State of Maryland; the Secretary of State of North Carolina; the Secretary of State of South Carolina; and the Utah Division of Consumer Protection (collectively “Plaintiffs”), filed their Complaint for Permanent Injunction and Other Relief (“Complaint”), for a permanent injunction, monetary judgment, and other relief in this matter, pursuant to Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §53(b), and pursuant to the following legal authorities of the State Plaintiffs:

STATE	STATUTORY AUTHORITY
Arkansas	Ark. Code Ann. § 4-28-412, Ark. Code Ann. § 4-28-416, and Ark. Code Ann. §§ 4-88-101 et seq.
California	Cal. Bus. & Prof. Code §§ 17200 - 17209, 17510 - 17510.95; Cal. Gov. Code §§ 12580 - 12599.10.
Colorado	Colo. Rev. Stat. §§ 6-1-110 to 113
Connecticut	Conn. Gen. Stat. § 3-125; Conn. Gen. Stat. § 21a-190l(b); Conn. Gen. Stat. § 42-110m(a)
Delaware	6 <i>Del. C.</i> § 2595(a) and 6 <i>Del. C.</i> § 2513(a).

1	Florida	Florida Chapter 501, Part II, Florida Statutes (2024), Chapter
2		496, Florida Statutes (2024).
3	Georgia	GA. CODE ANN. § 10-1-390 – 408.
4	Illinois	225 Ill. Comp. Stat. §§ 460/0.01 through 460/23.
5	Indiana	IND. CODE §§ 23-7-8-1 through -9; and 24-5-0.5-1 through
6		-12
7	Maryland	MD. CODE ANN., BUS. REG. §§ 6-101 through 6-701
8		(LexisNexis 2024).
9	New York	N.Y. Executive Law §§ 171-a through 175, and 63(12); N.Y.
10		Gen. Bus. Law § 349
11	North Carolina	N.C. Gen. Stat. §§ 75-1.1 <i>et seq.</i> ; N.C.G.S. 131F-20(1), (9),
12		(10), (15), (18); 131F-21; 131F-23; 131F-24.
13	Oklahoma	OKLA. STAT. tit. 18 §§ 552.1 through 552.24 (West)
14	Oregon	OR. REV. STAT. §§128.801 through 128.898, 646.605
15		through 646.642, and 180.060(7)
16	South Carolina	S.C. CODE ANN. §§ 33-56-10 through 33-56-200.
17	Utah	UTAH CODE ANN. §§13-22-1 through 13-22-23; 13-26-1
18		through 13-26-11; and 13-11-1 through 13-11-23.
19	Virginia	VA. CODE ANN. §§ 57-48 through 57-69
20	West Virginia	W.Va. Code §§ 29-19-1, -15b; and W.Va. Code § 46A-1-101
21		through 46A-6-110
22	Wisconsin	WIS. STAT. §§ 202.01 through 202.18
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24 Plaintiffs and Defendants stipulate to the entry of Stipulated Order For
25 Permanent Injunction, Monetary Judgment, and Other Relief (“Order”) to resolve
26 all matters in dispute in this action between them.

27 THEREFORE, IT IS ORDERED as follows:
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FINDINGS

1. This Court has jurisdiction over this matter.

2. The Complaint charges that Defendants participated in deceptive acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, and the laws of the State Plaintiffs referenced above by misrepresenting, and failing to support claims that, Donors' vehicle Contributions to Defendant Kars-R-Us.com would be used to support United Breast Cancer Foundation, Inc.'s ("United Breast Cancer Foundation") breast screening services.

3. Defendants neither admit nor deny any of the allegations in the Complaint, except as specifically stated in this Order. Only for purposes of this action, Defendants admit the facts necessary to establish jurisdiction.

4. Defendants waive any claim that they may have under the Equal Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action through the date of this Order, and agree to bear their own costs and attorney fees.

5. Defendants and the Commission and State Plaintiffs waive all rights to appeal or otherwise challenge or contest the validity of this Order.

DEFINITIONS

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

A. **"Contribution"** means any donation or gift of money or any other thing of value, including motorized and other vehicles.

B. **"Defendants"** means Lisa Frank, Michael Irwin, and the Corporate Defendant, individually, collectively, or in any combination.

1. **"Corporate Defendant"** means KARS-R-US.COM, Inc. also doing business as DONATE CAR 2 VETERANS and DONATION2CHARITY.COM and its successors and assigns.

2. **"Individual Defendants"** means Michael Irwin and Lisa Frank.

1 C. **“Donor”** means any Person solicited to make, or who makes a
2 Contribution.

3 D. **“Fundrais(e)(ing)”** means a plan, program, or campaign that is
4 conducted to induce Contributions, including donations of motorized or other
5 vehicles, by any means, including face-to-face, mail, telephone, electronic mail,
6 social media, television, or radio.

7 E. **“Fundraising Services”** means providing assistance in Fundraising,
8 directly or indirectly, including by advising, assisting, acting as a broker,
9 independent contractor or fundraising consultant, investing, planning, supplying or
10 arranging for the supply of contact or Donor lists, arranging for any Person to
11 affiliate with any Person for the purpose of Fundraising, or providing or arranging
12 for the provision of marketing services (e.g., creating or advising on solicitation
13 materials), printing, customer service, caging, escrow, payment processing, mail
14 processing, or fulfillment services in connection with Fundraising.

15 F. **“Fundraising Materials”** means initial, rebuttal, and other scripts;
16 frequently asked questions (e.g. FAQs); brochures; or advertisements disseminated
17 by any means, including face-to-face, mail, telephone, electronic mail, social
18 media, television, or radio.

19 G. **“Nonprofit Organization”** means any Person that is, or is
20 represented to be, a nonprofit entity or that has, or is represented to have, a
21 charitable purpose, specifically including any entity that purports to benefit, either
22 in whole or in part, individuals who suffer from any illness or disease, or their
23 families, or screen for or prevent any illness or disease.

24 H. **“Person”** means any individual, group, organization, unincorporated
25 association, limited or general partnership, corporation, or other legal entity,
26 including a Nonprofit Organization.
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I. **“State Plaintiffs”** means the Attorneys General of the states of Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Maryland, New York, North Carolina, Oklahoma, Oregon, Utah, Virginia, West Virginia, and Wisconsin; the Secretary of State of Maryland; the Secretary of State of North Carolina; the Secretary of State of South Carolina; and the Utah Division of Consumer Protection.

J. **“United Breast Cancer Foundation”** means United Breast Cancer Foundation, Inc., and its successors and assigns.

ORDER

I. PROHIBITION ON FUNDRAISING

(As to Defendant Irwin)

IT IS ORDERED that Defendant Irwin is permanently restrained and enjoined from Fundraising or providing Fundraising Services to any Person, whether directly or indirectly. This prohibition includes controlling, directly or indirectly, or holding an ownership in, any entity engaged in Fundraising or the provision of Fundraising Services.

Provided, however, that, subject to the limitations of this Section I, Defendant Irwin may be employed by or volunteer for any Nonprofit Organization in any capacity not prohibited by the above, such as working in any non-supervisory role unrelated to the solicitation, management, custody, control, or distribution of any charitable asset or Contribution.

II. PROHIBITION AGAINST MISREPRESENTATIONS

(As to Defendant Irwin)

IT IS FURTHER ORDERED that Defendant Irwin, his officers, agents, employees, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with the advertising, marketing, promotion, offering for sale, selling,

1 or distribution of any good or service, are permanently restrained and enjoined
 2 from misrepresenting, or assisting others in misrepresenting, expressly or by
 3 implication, any material fact.

4 **III. PROHIBITION AGAINST MISREPRESENTATIONS**
 5 **(As to Defendants Frank and Kars-R-Us.com)**

6 IT IS FURTHER ORDERED that Defendants Frank and Kars-R-Us.com,
 7 their officers, agents, employees, and all other persons in active concert or
 8 participation with any of them, who receive actual notice of this Order, whether
 9 acting directly or indirectly, in connection with Fundraising, or advertising,
 10 marketing, promotion, offering for sale, selling, or distribution of any good or
 11 service, are permanently restrained and enjoined from misrepresenting, or assisting
 12 others in misrepresenting, expressly or by implication:

13 A. The Person, program, cause, or purpose that a Contribution will
 14 support, including but not limited to any false or misleading representation that
 15 funds will be used to provide free or low-cost breast cancer screening;

16 B. The percentage or amount of any Contribution that will go, or has
 17 previously been applied, to:

18 1. Any services or activities that are the subject of the solicitation,
 19 such as cancer screening services; or

20 2. Any Person on whose behalf Defendants Frank and Kars-R-
 21 Us.com are Fundraising;

22 C. Any fact material to Donors' decisions concerning any good or
 23 service, or the use of a Contribution.

IV. PROHIBITION AGAINST FAILING TO SUBSTANTIATE ANY CLAIMS

(As to Defendants Frank and Kars-R-Us.com)

IT IS FURTHER ORDERED that Defendants Frank and Kars-R-Us.com, their officers, agents, employees, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with Fundraising, are permanently restrained and enjoined from failing to ascertain and document, before entering into any agreement to solicit, or continuing to solicit, for any Nonprofit Organization, and again every year until Defendants Frank and Kars-R-Us.com stop soliciting for the Nonprofit Organization:

A. That all Fundraising Materials used by Defendants Frank and Kars-R-Us.com for the Nonprofit Organization or other Person, do not misrepresent:

1. The identity of the Fundraiser;
2. The Person, program, or purpose funded by a Contribution;
3. The geographic area or areas within which any of a Nonprofit Organization or other Person's programs or services are provided;
- and
4. The percentage or amount of any Contribution to the Nonprofit Organization or other Person that will be, or has previously been, applied to the charitable purpose.

B. That any Person that is represented to be a Nonprofit Organization on behalf of whom Defendants Frank and Kars-R-Us.com are Fundraising is registered in any state in which Defendants Frank and Kars-R-Us.com conduct Fundraising on such Person's behalf if that state requires such registration, and that such Person operates consistently with its stated purpose;

1 C. That Defendants Frank and Kars-R-Us.com are contractually
2 authorized by any Person that is represented to be a Nonprofit Organization on
3 behalf of whom Defendants Frank and Kars-R-Us.com are Fundraising to solicit in
4 each state where Defendants Frank and Kars-R-Us.com conduct Fundraising;

5 D. That the Nonprofit Organization or other Person has provided the
6 programs or services described in the Fundraising Materials used by Defendants
7 Frank and Kars-R-Us.com for the Nonprofit Organization or other Person during
8 the most recent fiscal or calendar year. If those programs or services were not
9 described in the Nonprofit Organization's most recently filed Form 990 or other tax
10 return with the Internal Revenue Service, substantiation shall be sufficient if the
11 Nonprofit Organization or other Person provides to Defendants Frank and Kars-R-
12 Us.com an attestation in writing to the accuracy of the statements in the
13 Fundraising Materials, supported by documentation such as the Nonprofit
14 Organization or other Person's written plan or itemized budget for delivering these
15 benefits during the current calendar or fiscal year.

16 E. That more than an incidental amount of the Contributions received by
17 the Nonprofit Organization or other Person are spent on the programs or services
18 described in the Fundraising Materials used by Defendants Frank and Kars-R-
19 Us.com during the most recent fiscal or calendar year, including by reviewing a
20 financial statement of the Nonprofit Organization or other Person for each year and
21 accounting period during the past three calendar or fiscal years (or for the period of
22 the organization's operation, if less than two years) or, if the Nonprofit or other
23 Person has filed a Form 990 or other tax return with the Internal Revenue Service
24 at any time during the past three calendar or fiscal years, by reviewing copies of
25 each Form 990 or other tax return filed by or on behalf of the Nonprofit
26 Organization or other Person during that time, *provided that*, if such programs or
27 services will be or have been provided for the first time during the current calendar
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or fiscal year, the substantiation shall be sufficient if it identifies or describes the program's intended beneficiaries and intended local communities and includes the organization's written plan and itemized budget for delivering these benefits during the current calendar or fiscal year.

V. COMPLIANCE WITH STATE LAW

IT IS FURTHER ORDERED that Defendants, their officers, agents, employees, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with the advertising, marketing, promotion, offering for sale, selling, or distribution of any good or service, are permanently restrained and enjoined from violating, causing others to violate, or assisting others in violating any provision of the following state laws:

STATE	STATUTORY AUTHORITY
Arkansas	Ark. Code Ann. § 4-28-412, Ark. Code Ann. § 4-28-416, and Ark. Code Ann. §§ 4-88-101 et seq.
California	Cal. Bus. & Prof. Code §§ 17200 - 17209, 17510 - 17510.95; Cal. Gov. Code §§ 12580 - 12599.10.
Colorado	Colo. Rev. Stat. §§ 6-1-101 through 115; and §§ 6-16-101 through 114.
Connecticut	Conn. Gen. Stat. § 21a-190h(1) and (2); Conn. Gen. Stat. § 42-110b(a)
Delaware	6 Del. C. § 2595(a) and 6 Del. C. § 2513(a)
Florida	Chapter 501, Part II, Florida Statutes (2024); Chapter 496, Florida Statutes (2024).
Georgia	GA. CODE ANN. § 10-1-390 – 408.
Illinois	225 Ill. Comp. Stat. §§ 460/0.01 through 460/23.

1	Indiana	IND. CODE §§ 23-7-8-1 through -9; and 24-5-0.5-1 through
2		-12
3	Maryland	MD. CODE ANN., BUS. REG. §§ 6-101 through 6-701
4		(LexisNexis 2024).
5	New York	N.Y. Executive Law §§ 171-a through 175, and 63(12); N.Y.
6		Gen. Bus. Law § 349.
7	North Carolina	N.C. Gen. Stat. §§ 75-14, 75-15.1, and 131F-1 to 131F-33
8	Oklahoma	OKLA. STAT. ANN. tit. 18 §§ 552.1 through 552.22 (West)
9	Oregon	OR. REV. STAT. §§128.886; and 646.605 through 646.636
10	South Carolina	S.C. CODE ANN. §§ 33-56-10 through 33-56-200.
11	Utah	UTAH CODE ANN. §§13-22-1 through 13-22-23; 13-26-1
12		through 13-26-11; and 13-11-1 through 13-11-23.
13	Virginia	VA. CODE ANN. §§ 57-48 through 57-69
14	West Virginia	W.Va. Code §§ 29-19-1, -15b; and W.Va. Code § 46A-1-101
15		through 46A-6-110
16	Wisconsin	WIS. STAT. §§ 202.01 through 202.18

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18 *Provided further*, the State Plaintiffs, except for the Colorado Attorney

19 General's Office, agree that the Defendants' stipulating to this Order or entering

20 into any other settlement agreement arising from the operative facts and conduct

21 alleged in the Complaint and containing the same or similar injunctive prohibitions

22 related to Fundraising shall not, separately or collectively, serve solely as the basis

23 to enforce state statutory provisions that deny, suspend, revoke, or prohibit

24 Defendants Kars-R-Us.com and Frank from Fundraising in their respective states.

25 Defendants Kars-R-Us.com and Frank shall voluntarily withdraw their

26 registrations in Colorado within 14 days of the entry of this Order for a period of

27 not less than five years. The Colorado Attorney General's Office shall not take any

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1 administrative action against Defendants Kars-R-Us.com and Frank based on their
2 voluntary withdrawal of their Colorado registrations as described above.

3 VI. DONOR INFORMATION

4 IT IS FURTHER ORDERED that Defendants, their officers, agents,
5 employees, and all other persons in active concert or participation with any of
6 them, who receive actual notice of this Order, are permanently restrained and
7 enjoined from, directly or indirectly, disclosing, using, or benefitting from any
8 information about any Donor to United Breast Cancer Foundation solicited by
9 Defendants, including the name, address, telephone number, email address, Social
10 Security number, other identifying information, or any data that enables access to a
11 Donor's account (including a credit card, bank account, or other financial account),
12 that any Defendant obtained prior to entry of the Order;

13 Provided, however, that Donor information may be disclosed or used:

- 14 1. for the limited and sole purpose of assisting prior donors to
15 United Breast Cancer Foundation with any legal or tax issues pertaining to
16 their donated vehicle; or
- 17 2. to the extent requested by a government agency or required by
18 law, regulation, or court order.

20 VII. COOPERATION

21 IT IS FURTHER ORDERED that Defendants must fully cooperate with
22 representatives of Plaintiffs in this case and in any investigation related to or
23 associated with the transactions or the occurrences that are the subject of the
24 Complaint. Defendants must provide truthful and complete information, evidence,
25 and testimony. Individual Defendants must appear and Corporate Defendant "must
26 cause its officers, employees, representatives, or agents to appear" for interviews,
27 discovery, hearings, trials, and any other proceedings that a Plaintiff representative
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1 may reasonably request upon 5 days written notice, or other reasonable notice, at
2 such places and times as a Plaintiff representative may designate, without the
3 service of a subpoena.

4 **VIII. MONETARY JUDGMENT**

5 IT IS FURTHER ORDERED that:

6 A. Judgment in the amount of **Three Million Eight Hundred Eighty-**
7 **Two Thousand and Ninety One Dollars (\$3,882,091)** is entered in favor of
8 Plaintiffs against Individual Defendants and Corporate Defendant, jointly and
9 severally, as equitable monetary relief.

10 B. Defendants shall pay **Five Hundred Fifty Thousand Dollars**
11 **(\$550,000)**, of this sum within ten (10) calendar days of entry of the Order. This
12 sum will be paid to one or more charities whose mission or purpose is consistent
13 with the purported mission or purpose of United Breast Cancer Foundation as a
14 Contribution as set forth below, following subsequent motion by the State Plaintiffs
15 and order of this Court.

16 C. Defendants stipulate that their undersigned counsel holds the monies
17 owed for the payment pursuant to Paragraph VIII.B in a client trust account for no
18 purpose other than payment to the Florida Department of Legal Affairs Escrow
19 Fund ("Florida Escrow Fund").

20 D. The monies owed by Defendants and held in a client trust account by
21 their undersigned counsel shall be transferred within ten (10) calendar days of
22 entry of the Order to the Florida Escrow Fund, which shall hold this amount for no
23 purpose other than future payment to one or more charities as a Contribution,
24 unless otherwise ordered by this Court. This transfer shall be made by wire
25 transfer, cashier's check, or other certified funds made payable to the "Florida
26 Department of Legal Affairs Escrow Fund."
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1 E. Upon completion of the payment described in Paragraph VIII.B, the
2 remainder of the judgment is suspended as to all Defendants, subject to Paragraphs
3 VIII.F and VIII.G.

4 F. Plaintiffs' agreement to the suspension of part of the judgment is
5 expressly premised upon the truthfulness, accuracy, and completeness of
6 Defendants' sworn financial statements and related documents (collectively,
7 financial representations") submitted to the Commission, namely:

8 1. the Financial Statement of Kars-R-Us.com, Inc., executed on
9 January 9, 2025, and attachments thereto;

10 2. the Financial Statement of Individual Defendant Lisa Frank
11 signed on February 14, 2025, including the attachments;

12 3. the email from Defendants' counsel dated March 28, 2025; and

13 4. the Financial Statement of Individual Defendant Michael Irwin
14 signed on February 14, 2025, including the attachments.

15 G. The suspension of the judgment will be lifted as to any Defendant if,
16 upon motion by any Plaintiff, the Court finds that Defendant failed to disclose any
17 material asset, materially misstated the value of any asset, or made any other
18 material misstatement or omission in the financial representations identified above.

19 H. If the suspension of the judgment is lifted, the judgment becomes
20 immediately due as to that Defendant in the amount specified in Subsection A
21 above, less any payment previously made pursuant to this Section, plus interest
22 computed from the date of entry of this Order. Such payments shall be made by
23 wire transfer, cashier's check, or other certified funds made payable to the "Florida
24 Department of Legal Affairs Escrow Fund." If the Court has approved one or more
25 charities to receive a Contribution pursuant to Paragraph VIII.I then any such
26 payments shall be made to the approved charities.
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1 I. The State Plaintiffs shall identify one or more charities to recommend
2 to this Court as suitable to receive a Contribution. Within one hundred eighty
3 (180) calendar days of entry of the Order, the State Plaintiffs shall submit to this
4 Court a motion and proposed order recommending one or more recipients for the
5 Contribution, the amount to be paid to any approved recipient, and the manner and
6 timeframe for such payment. All monies paid by Defendants and held in the
7 Florida Escrow Fund shall be distributed only as authorized and directed by this
8 Court. Defendants shall have no right to challenge any recommendations
9 regarding any Contribution or monetary distribution made by the State Plaintiffs.

10 J. Defendants understand that any Contribution to a charity described
11 herein is being made in lieu of customer restitution and not on behalf of
12 Defendants. Therefore, Defendants stipulate that they will not claim any tax
13 deduction, credit, or other benefit related to any Contribution to a charity discussed
14 in the Order.

15 K. The North Carolina Attorney General and the North Carolina
16 Secretary of State shall be excluded from this Section VIII.

17 **IX. ADDITIONAL MONETARY PROVISIONS**

18 IT IS FURTHER ORDERED that:

19 A. Defendants relinquish dominion and all legal and equitable right, title,
20 and interest in all assets transferred pursuant to this Order and may not seek the
21 return of any assets.

22 B. The facts alleged in the Complaint will be taken as true, without
23 further proof, in any subsequent civil litigation by or on behalf of any Plaintiff,
24 including in a proceeding to enforce its rights to any payment or monetary
25 judgment pursuant to this Order, such as a nondischargeability complaint in any
26 bankruptcy case.

27 C. The facts alleged in the Complaint establish all elements necessary to
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1 sustain an action by the Commission pursuant to Section 523(a)(2)(A) of the
2 Bankruptcy Code, 11 U.S.C. § 523(a)(2)(A), and this Order will have collateral
3 estoppel effect for such purposes.

4 D. Each Defendant acknowledges that Defendant's Employer
5 Identification Number, Social Security Number, or other Taxpayer Identification
6 Number ("TIN"), including all TINs that Defendants previously provided, may be
7 used by the Plaintiffs for reporting and other lawful purposes, including collecting
8 on any delinquent amount arising out of this Order in accordance with 31 U.S.C.
9 §7701.

10 **X. ORDER ACKNOWLEDGMENTS**

11 IT IS FURTHER ORDERED that Defendants obtain acknowledgments of
12 receipt of this Order:

13 A. Each Defendant, within 7 days of entry of this Order, must submit to
14 the Commission an acknowledgment of receipt of this Order sworn under penalty
15 of perjury.

16 B. For 5 years after entry of this Order, each Individual Defendant for
17 any business that such Defendant, individually or collectively with any other
18 Defendants, is the majority owner or controls directly or indirectly, and the
19 Corporate Defendant, must deliver a copy of this Order to: (1) all principals,
20 officers, directors, and LLC managers and members; (2) all employees having
21 managerial responsibilities for conduct related to the subject matter of the Order
22 and all agents and representatives who participate in conduct related to the subject
23 matter of the Order; and (3) any business entity resulting from any change in
24 structure as set forth in the Section titled Compliance Reporting. Delivery must
25 occur within 7 days of entry of this Order for current personnel. For all others,
26 delivery must occur before they assume their responsibilities.

27 C. From each individual or entity to which a Defendant delivered a copy
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1 of this Order, that Defendant must obtain, within 30 days, a signed and dated
2 acknowledgment of receipt of this Order.

3 **XI. COMPLIANCE REPORTING**

4 IT IS FURTHER ORDERED that Defendants make timely submissions to
5 the Commission and, on behalf of State Plaintiffs, to the California Department of
6 Justice, Office of the Attorney General (“California Department of Justice”),
7 according to the following terms:

8 A. One year after entry of this Order, each Defendant must submit a
9 compliance report, sworn under penalty of perjury:

10 1. Each Defendant must: (a) identify the primary physical, postal,
11 and email address and telephone number, as designated points of contact,
12 which representatives of the Commission and State Plaintiffs may use to
13 communicate with Defendant; (b) identify all of that Defendant’s businesses
14 by all of their names, telephone numbers, and physical, postal, email, and
15 Internet addresses; (c) describe the activities of each business, including the
16 goods and services advertised, marketed, promoted, offered, sold, or
17 distributed, and the involvement of any Defendant (which Defendants must
18 describe if they know or should know due to their own involvement); (d)
19 describe in detail whether and how that Defendant is in compliance with
20 each Section of this Order; and (e) provide a copy of each Order
21 Acknowledgment obtained pursuant to this Order, unless previously
22 submitted to the Commission.

23 2. Additionally, each Individual Defendant must: (a) identify all
24 telephone numbers and all physical, postal, email and Internet addresses,
25 including all residences; (b) identify all business activities, including any
26 business for which such Defendant performs services whether as an
27 employee or otherwise and any entity in which such Defendant has any
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1 ownership interest; and (c) describe in detail such Defendant's involvement
2 in each such business, including title, role, responsibilities, participation,
3 authority, control, and any ownership.

4 B. For 10 years after entry of this Order, each Defendant must submit a
5 compliance notice, sworn under penalty of perjury, within 14 days of any change
6 in the following:

7 1. Each Defendant must report any change in: (a) any designated
8 point of contact; or (b) the structure of Corporate Defendant or any entity
9 that Defendant has any ownership interest in or controls directly or indirectly
10 that may affect compliance obligations arising under this Order, including:
11 creation, merger, sale, or dissolution of the entity or any subsidiary, parent,
12 or affiliate that engages in any acts or practices subject to this Order.

13 2. Additionally, each Individual Defendant must report any
14 change in: (a) name, including aliases or fictitious name, or residence
15 address; or (b) title or role in any business activity, including any business
16 for which such Defendant performs services whether as an employee or
17 otherwise and any entity in which such Defendant has any ownership
18 interest, and identify the name, physical address, and any Internet address of
19 the business or entity.

20 C. Each Defendant must submit to the Commission and California
21 Department of Justice notice of the filing of any bankruptcy petition, insolvency
22 proceeding, or similar proceeding by or against such Defendant within 14 days of
23 its filing.

24 D. Any submission to the Commission required by this Order to be
25 sworn under penalty of perjury must be true and accurate and comply with 28
26 U.S.C. § 1746, such as by concluding: "I declare under penalty of perjury under
27 the laws of the United States of America that the foregoing is true and correct.
28

Executed on: _____” and supplying the date, signatory’s full name, title (if applicable), and signature.

E. Unless otherwise directed by a Commission representative in writing, all submissions to the Commission pursuant to this Order must be emailed to DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to: Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The subject line must begin: FTC et al. v. Kars-R-Us.com, Inc., et al., Matter No. 2523067.

F. Unless otherwise directed by a representative of the California Department of Justice, all submissions to California Department of Justice pursuant to this Order must be emailed to juan.rodriguez@doj.ca.gov (email address) or sent to:

California Department of Justice
Office of the Attorney General
Charitable Trusts Section
300 South Spring Street, Suite 1702
Los Angeles, CA 90013

The subject line must begin: FTC et al. v. Kars-R-Us.com, Inc., et al.

G. Defendants expressly consent to the sharing of any and all documents submitted as part of their compliance reporting to any Plaintiff with all other Plaintiffs.

XII. RECORDKEEPING

IT IS FURTHER ORDERED that Defendants must create certain records for 10 years after entry of the Order, and retain each such record for 5 years, unless state law requires the retention of such record for a period longer than 5 years, in which case the state law shall govern the record retention period in that state.

Specifically, Corporate Defendant and each Individual Defendant for any business that such Defendant, individually or collectively with any other Defendants, is a majority owner or controls directly or indirectly, must create and retain the following records:

A. accounting records showing the revenues from sales on behalf of any other Person;

B. personnel records showing, for each person providing services, whether as an employee or otherwise, that person's: name; addresses; telephone numbers; job title or position; dates of service; and (if applicable) the reason for termination;

C. records of all complaints and refund requests, whether received directly or indirectly, such as through a third party, and any response;

D. all records necessary to demonstrate full compliance with each provision of this Order, including all submissions to the Commission and the California Department of Justice; and

E. a copy of each unique advertisement, charitable solicitation, or other marketing material.

XIII. COMPLIANCE MONITORING

IT IS FURTHER ORDERED that, for the purpose of monitoring Defendants' compliance with this Order:

A. Within 14 days of receipt of a written request from a representative of any Plaintiff, each Defendant must: submit additional compliance reports or other requested information, which must be sworn under penalty of perjury; appear for depositions; and produce documents for inspection and copying. Each Plaintiff is also authorized to obtain discovery, without further leave of court, using any of the procedures prescribed by Federal Rules of Civil Procedure 29, 30 (including depositions by remote means), 31, 33, 34, 36, 45, and 69.

1 B. For matters concerning this Order, each Plaintiff is authorized to
2 communicate directly with each Defendant. Defendants must permit
3 representatives of any Plaintiff to interview any employee or other person affiliated
4 with any Defendant who has agreed to such an interview. The person interviewed
5 may have counsel present.

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

12 D. Upon written request from a representative of any Plaintiff, any
13 consumer reporting agency must furnish consumer reports concerning Individual
14 Defendants, pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C.
15 §1681b(a)(1).

16 **XIV. STATE COURT ENFORCEMENT**

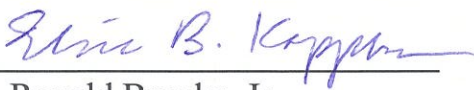
17 IT IS FURTHER ORDERED that, without limiting any other provisions of
18 the Order, each State Plaintiff shall have the authority to enforce or seek sanctions
19 for violations of the Order independently in a court of general jurisdiction in its
20 state, if that State Plaintiff has reason to believe that Persons in its state have been
21 or will be affected. No approval from any other Plaintiff is required. Defendants
22 consent to any such state court's jurisdiction for purposes of enforcing the terms of
23 the Order.

24 **XV. RETENTION OF JURISDICTION**

25 IT IS FURTHER ORDERED that this Court retains jurisdiction of this
26 matter for purposes of construction, modification, and enforcement of this Order.
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2 **SO STIPULATED AND AGREED:**

3 **FEDERAL TRADE COMMISSION**
4

5
6 

Date: Sept. 25, 2025

7 J. Ronald Brooke, Jr.

8 Miry Kim

9 Elsie Kappler

10 Attorneys

11 Federal Trade Commission

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2 **FOR THE STATE OF ARKANSAS:**

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Date: 09-11-2025

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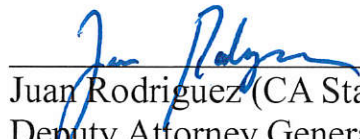
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FOR THE STATE OF CALIFORNIA:



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Date: 9/12/25

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2 **FOR THE STATE OF COLORADO**

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Date: 9/16/2025

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2 **FOR THE STATE OF CONNECTICUT**

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FOR THE STATE OF DELAWARE



Date: 9/12/2025

Maryanne T. Donaghy (DE Bar No. 4213)

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Date: 9/11/25

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1 **FOR THE STATE OF GEORGIA**

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FOR THE STATE OF ILLINOIS

Kristin C Louis

Date: September 11, 2025

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1 **FOR THE STATE OF INDIANA**

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1 **FOR THE STATE OF MARYLAND**

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Date: *9/15/2025*

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FOR THE STATE OF NEW YORK



Date: 9-11-2025

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1 **FOR THE STATE OF NORTH CAROLINA**

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Date: *September 12, 2025*

1 **FOR THE STATE OF NORTH CAROLINA**

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Date:

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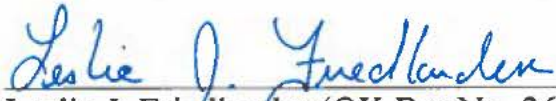
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1 **FOR THE STATE OF OKLAHOMA**

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4 Attorney General

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Date: 9/11/25

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FOR THE STATE OF OREGON

Heather L. Weigler

Date: September 11, 2025

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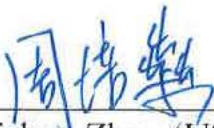
FOR THE STATE OF SOUTH CAROLINA



Date: 9/15/2025

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**FOR THE STATE OF UTAH, UTAH DIVISION OF CONSUMER
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1 **FOR THE COMMONWEALTH OF VIRGINIA,**
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3 **ATTORNEY GENERAL**

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6 Date: September 11, 2025

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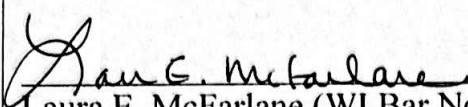
1 **FOR THE STATE OF WEST VIRGINIA**

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Date: 9/11/25

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1 **FOR DEFENDANTS:**

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Date: 9/11/25

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14 Counsel for Kars-R-Us.com, Inc.,
15 Michael Irwin, and Lisa Frank

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17 DEFENDANT MICHAEL IRWIN

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Date: 9/9/25

20 Michael Irwin, Individually

21
22 DEFENDANTS KARS-R-US.COM, INC. and LISA FRANK

23 

Date: 9/9/2025

24 Lisa Frank, Individually and as an Officer
25 of Kars-R-Us.com, Inc.
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