

AGREEMENT REGARDING FINAL ORDER

The Federal Trade Commission ("FTC") and Gregory DePaola enter into this Agreement as of November 26, 2025 ("Effective Date") to establish Defendant DePaola's obligations in connection with the Final Order entered in *FTC et al. v. Coulter Motor Company, LLC, et al.*, Case No. 2:24-cv-02086-ROS (D. Ariz.).

Recitals

- A. Plaintiffs, the FTC and the State of Arizona, *ex rel.* Kristin K. Mayes, Attorney General, jointly commenced a civil action against Coulter Motor Company, LLC and Gregory DePaola on August 15, 2024, by filing a Complaint for Permanent Injunction, Monetary Relief, Civil Penalties, and Other Relief ("Complaint"), pursuant to Sections 13(b) and 19 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 53(b) and 57b, Section 1691c(c) of the Equal Credit Opportunity Act ("ECOA"), 15 U.S.C. § 1691c(c), and the Arizona Consumer Fraud Act ("ACFA"), A.R.S. §§ 44-1521 to 44-1534. (ECF No. 1.) The Complaint alleged violations of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), Section 701(a)(1) of ECOA, 15 U.S.C. § 1691(a)(1), Section 202.4(a) of Regulation B, 12 C.F.R. § 202.4(a), and Section 44-1521 to 44-1534 of the ACFA, A.R.S. §§ 44-1521 to 44-1534, in connection with the advertisement, sale, and financing of automobiles.
- B. On August 16, 2024, the parties filed (ECF Nos. 3 and 3-1), and on September 19, 2024, the Court entered (ECF No. 4) a Stipulated Order for Permanent Injunction, Monetary Judgment, Civil Penalty Judgment, and Other Relief ("Final Order") to resolve all matters in dispute in the action between the parties. Defendant DePaola neither admitted nor denied any of the allegations in the Complaint other than those facts necessary to establish jurisdiction.
- C. On April 23, 2025, President Trump issued Executive Order No. 14281 entitled "Restoring Equality of Opportunity and Meritocracy ("Executive Order"), 90 Fed. Reg. 17537 (Apr. 23, 2025). Section 1 of the Executive Order states that "disparate-impact liability . . . holds that a near insurmountable presumption of unlawful discrimination exists where there are any differences in outcomes in certain circumstances among different races, sexes, or similar groups, even if there is no facially discriminatory policy or practice or discriminatory intent involved, and even if everyone has an equal opportunity to succeed. Disparate-impact liability all but requires individuals and businesses to consider race and engage in racial balancing to avoid potentially crippling legal liability. It not only undermines our national values, but also runs contrary to equal protection under the law and, therefore, violates our Constitution." Section 2 of the Executive Order states that "[i]t is the policy of the United States to eliminate the use of disparate-impact liability in all contexts to the maximum degree possible to avoid violating the Constitution, Federal civil rights laws, and basic American ideals." Section 4 of the Executive Order directs all agencies to "deprioritize enforcement of all statutes and regulations to the extent they include disparate-impact liability." And section 6(c) of the Executive Order directs all agencies to "evaluate existing consent judgments and permanent injunctions that rely on theories of disparate impact liability and take appropriate action with respect to such matters consistent with the policy of this [executive] order."

D. Pursuant to the Executive Order, the FTC has determined that the Complaint alleged violations of Section 5 of the FTC Act (Count IV) and ECOA and Regulation B (Count VI) based on theories of disparate impact liability. Certain injunctive relief in the Final Order—namely, Section IV (Prohibition Against Unlawful Credit Discrimination) and Section V (Fair Lending Program)—is designed to address the alleged conduct in Counts IV and VI in the Complaint, and thus, based on theories of disparate impact liability. Therefore, the FTC has determined that continued enforcement of Section IV and Section V is inconsistent with Section 5 of the FTC Act, ECOA, Regulation B, the Executive Order, and the public interest.

Agreement

Therefore, as of the Effective Date, and considering the Recitals above, the FTC and Defendant DePaola agree as follows:

1. The FTC shall no longer monitor, investigate, or attempt to enforce Defendant DePaola's compliance with Section IV and Section V of the Final Order independently and/or by cooperating with any other investigation and/or administrative inquiry or review including, but not limited to, by the State of Arizona.
2. The FTC shall not require Defendant DePaola to address his continued compliance with Section IV and Section V of the Final Order in any future compliance report submitted to the FTC under Section X (Compliance Reporting) of the Final Order.
3. The FTC shall not require Defendant DePaola to create or retain records concerning Section IV and Section V of the Final Order under Section XI (Recordkeeping) of the Final Order.
4. The FTC shall not, under Section XII (Compliance Monitoring) of the Final Order or otherwise, request any compliance reports or other information or obtain discovery concerning Section IV and Section V of the Final Order.
5. Defendant DePaola shall not challenge, contest, or otherwise seek relief from the monetary judgment (\$2,350,000) paid to the FTC pursuant to Section VI.A of the Final Order.
6. Defendant DePaola waives any claims against the FTC, including but not limited to claims under the Equal Access to Justice Act, 28 U.S.C. § 2412, arising or relating to this Agreement and agrees to bear his own costs and attorney fees arising or relating to this Agreement.
7. Except as set forth in this Agreement, the Final Order shall remain in full force and effect.

IT IS SO AGREED.

**FOR THE FEDERAL TRADE
COMMISSION**

LUCAS CROSLow
General Counsel

CHRISTOPHER MUFARRIGE
Director, Bureau of Consumer Protection

Signature redacted

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Signature redacted

~~GREGORY DEPAOLA~~, Defendant