

AGREEMENT REGARDING FINAL ORDER

The Federal Trade Commission (“FTC”) and North American Automotive Services, Inc., Ed Napleton Elmhurst Imports, Inc., Napleton’s Arlington Heights Motors, Inc., Napleton’s North Palm Auto Park, Inc., Napleton Enterprises, LLC, Clermont Motors, LLC, North Palm Motors, LLC, Napleton’s Ellwood Motors, Inc., Napleton Mid Rivers Imports, Inc., and Hitko Kadric (“Defendants”) enter into this Agreement as of November 26, 2025 (“Effective Date”) to establish Defendants’ obligations in connection with the Final Order entered in *FTC et al. v. North American Automotive Services, Inc., et al.*, Case No. 1:22-cv-01690- (N.D. Ill.).

Recitals

- A. Plaintiffs, the FTC and the People of the State of Illinois, jointly commenced a civil action against Defendants on March 31, 2022, by filing a Complaint for Permanent Injunction, Monetary Relief, 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, the Truth in Lending Act (“TILA”), 15 U.S.C. §§ 1601-1666j, and its implementing Regulation Z, 12 C.F.R. Part 226, the Equal Credit Opportunity Act (“ECOA”), 15 U.S.C. §§ 1691-1691f, the Illinois Consumer Fraud and Deceptive Business Practices Act (“Consumer Fraud Act”), 815 ILCS 505/1 *et seq.*, and the Illinois Motor Vehicle Advertising Regulations (“MVA Regulations”), 14 Ill. Adm. Code 475.110 *et seq.* (ECF No. 1.) The Complaint alleged violations of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), Section 144 of TILA, 15 U.S.C. § 1664, Section 226.24(d) of Regulation Z, 12 C.F.R. § 226.25(d), 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), Section 2 of the Consumer Fraud Act, 815 ILCS 510/2, Section 2J.1 of the Consumer Fraud Act, 815 ILCS 505/2J.1, and Sections 475.590, 475.610, and 475.390 of the MVA Regulations, 14 Ill. Adm. Code 475.590, 475.610, and 475.390, in connection with the advertisement, sale, and financing of automobiles.
- B. On April 5, 2022, the Court entered (ECF No. 11) a Stipulated Order for Permanent Injunction, Monetary Judgment, and Other Relief (“Final Order”) to resolve all matters in dispute in the action between the parties. Defendants 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 ECOA and Regulation B (Count V) based on theories of disparate impact liability. Certain injunctive relief in the Final Order—namely, Section VI (Prohibition Against Unlawful Credit Discrimination) and Section VII (Fair Lending Program)—is designed to address the alleged conduct in Count V in the Complaint, and thus, based on theories of disparate impact liability. Therefore, the FTC has determined that continued enforcement of Section VI and Section VII 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 Defendants agree as follows:

1. The Final Order contemplates compliance monitoring of Defendants specifically named therein. The FTC shall no longer monitor, investigate, or attempt to enforce Defendants’ compliance with Section VI and Section VII of the Final Order independently and/or by cooperating or coordinating with any other investigation and/or administrative inquiry or review including, but not limited to, by the State of Illinois.
2. The FTC shall not require Defendants to address their continued compliance with Section VI and Section VII of the Final Order in any future compliance report submitted to the FTC under Section XI (Compliance Reporting) of the Final Order.
3. The FTC shall not require Defendants to create or retain records concerning Section VI and Section VII of the Final Order under Section XII (Recordkeeping) of the Final Order.
4. The FTC shall not, under Section XIII (Compliance Monitoring) of the Final Order or otherwise, request any compliance reports or other information or obtain discovery concerning Section VI and Section VII of the Final Order.
5. Defendants shall not challenge, contest, or otherwise seek relief from the monetary judgment (\$9,950,000) paid to the FTC pursuant to Section VIII.A of the Final Order.
6. Defendants waive 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 agree to bear their 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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