AGREEMENT REGARDING FINAL ORDER

The Federal Trade Commission ("FTC") and Passport Automotive Group, Inc., Passport Motorcars, Inc., Import Motorcars, Inc., Autos International, Inc., Passport Imports, Inc., Passport Motors Holding, Inc., Passport of Alexandria, Inc., International Motor Cars, Inc., Everett A. Hellmuth, III, and Jay Klein ("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 v. Passport Automotive Group, Inc., et al.*, Case No. 8:22-cv-02670-GLS (D. Md.).

Recitals

A. Plaintiff the FTC commenced a civil action against Defendants on October 18, 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, and the Equal Credit Opportunity Act ("ECOA"), 15 U.S.C. §§ 1691-1691f. (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), and Section 202.4(a) of Regulation B, 12 C.F.R. § 202.4(a), in connection with the advertisement, sale, and financing of automobiles.

B. On October 21, 2022, the Court entered (ECF No. 10) 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 Section 5 of the FTC Act (Count III) and ECOA and Regulation B (Count IV) based on theories of disparate impact liability. Certain injunctive relief in the Final Order—namely, Section II (Prohibition Against Unlawful Credit Discrimination) and Section III (Fair Lending Program)—is designed to address the alleged conduct in Counts III and IV in the Complaint, and thus, based on theories of disparate impact liability. Therefore, the FTC has determined that continued enforcement of Section II and Section III 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 FTC shall no longer monitor, investigate, or attempt to enforce Defendants' compliance with Section II and Section III of the Final Order independently and/or by cooperating with any other investigation and/or administrative inquiry or review.

2. The FTC shall not require Defendants to address their continued compliance with Section II and Section III of the Final Order in any future compliance report submitted to the FTC under Section VIII (Compliance Reporting) of the Final Order.

3. The FTC shall not require Defendants to create or retain records concerning Section II and Section III of the Final Order under Section IX (Recordkeeping) of the Final Order.

4. The FTC shall not, under Section X (Compliance Monitoring) of the Final Order or otherwise, request any compliance reports or other information or obtain discovery concerning Section II and Section III of the Final Order.

5. Defendants shall not challenge, contest, or otherwise seek relief from the monetary judgment ($3,380,000) paid to the FTC pursuant to Section V.B 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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