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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

Federal Trade Commission and the States of Arkansas; California; Colorado; Connecticut; Delaware; Florida; Georgia; Illinois; Indiana; Maryland; New York; North Carolina; Oklahoma; Oregon; South Carolina; Utah; Virginia; West Virginia; and Wisconsin,

Plaintiffs,

v.

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

Case No. 2:25-cv-09150

COMPLAINT FOR PERMANENT INJUNCTION 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"), for their Complaint against Kars-R-Us.com, Inc. and its co-owners and officers, Michael Irwin and Lisa Frank (collectively "Defendants") allege:

SUMMARY OF THE CASE

1. Between at least 2012 and May 2023, Kars-R-Us.com, Inc., led by Michael Irwin ("Irwin") and Lisa Frank ("Frank"), deceptively solicited charitable donations nationwide on behalf of United Breast Cancer Foundation, Inc. ("UBCF"), an entity that purports to assist individuals affected by breast cancer. Between 2017 and 2022, Defendants raised over $45.5 million on behalf of UBCF. Of the $45.5 million, $34.9 million went to pay Defendants and its vendors, with millions going to Irwin and Frank.

2. In both English and Spanish-language ads on national and local TV networks, radio, and online, Defendants represented to prospective donors that their vehicle donations allow UBCF to "save lives" by providing free and low-cost breast cancer screenings. Defendants drafted and designed

these ads to tug at donors' heartstrings and to maximize contributions with little regard for truthfulness or accuracy of the claims they made on behalf of UBCF.

3. In reality, only a tiny fraction of donated money went to provide free or low-cost breast cancer screenings for individuals, and UBCF can point to no individual whose life was saved as a result of donations.

4. Defendants knew or should have known that the breast cancer-related claims they drafted and made on behalf of UBCF were deceptive or lacked substantiation. Nevertheless, Defendants used those claims because they were effective in generating generous donations. Indeed, in 2019, Defendant Irwin acknowledged to UBCF's CEO that he just needed the "disease" to make money, and UBCF was Defendants' most lucrative client, bringing in as much as 70-90% of Defendants' total revenue each year.

5. Well-meaning donors generously responded to the deceptive claims made by Defendants and donated vehicles based on the promises that funds raised by their donation go to provide free breast exams and save women's lives. Instead, unbeknownst to the donors, most of their money went to pay Defendants and their vendors, and the substantially smaller amount that went to UBCF was used largely for other purposes, including generous compensation to UBCF's CEO.

6. In perpetrating their deceptive scheme, Defendants violated Section 5 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 45(a), as well as state statutes regulating charitable solicitations and prohibiting deceptive and unfair trade practices.

7. The FTC brings this action under Sections 13(b) of the FTC Act, 15 U.S.C. § 53(b), to obtain permanent injunctive relief, and other equitable relief for Defendants' acts or practices in violation of Section 5(a)

of the FTC Act, 15 U.S.C. § 45(a).

8. This action is also brought, in their representative and/or official capacities as provided by state law, by the Attorney Generals of Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Maryland, New York, North Carolina, Oklahoma, Oregon, Utah, Virginia, West Virginia, and Wisconsin (collectively the "Attorneys General"); 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. The Plaintiffs identified in this paragraph are referred to collectively as the "Plaintiff States."

9. The Plaintiff States bring this action pursuant to consumer protection enforcement, business regulation, charitable solicitation, and/or charitable trust enforcement authority conferred on their Attorneys General, Secretaries of State, and/or other state agencies by state law and/or pursuant to statutory *parens patriae* and/or common law authority. These state laws authorize the Plaintiff States to seek temporary, preliminary, and permanent injunctive relief, recission or reformation of contracts, restitution, the refund of monies paid, disgorgement of ill-gotten monies, and other equitable relief, to prevent the waste, dissipation, and loss of charitable assets, and/or to stop ongoing donor deception caused by Defendants' state law violations. These laws also authorize the Plaintiff States to obtain civil penalties, attorneys' fees, expenses, and costs.

JURISDICTION AND VENUE

10. This Court has subject matter jurisdiction over the federal law claims pursuant to 28 U.S.C. §§ 1331, 1337(a), and 1345. This Court has supplemental jurisdiction over the state law claims pursuant to 28 U.S.C. § 1367.

11. Venue is proper in this District under 28 U.S.C. §§ 1391(b)(1), (b)(2), (b)(3) (c)(1), (c)(2), and (d).

PLAINTIFFS

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

13. The Attorneys General of the Plaintiff States are the chief legal officers for their respective states and commonwealths. The Secretary of State of Maryland regulates charities and charitable solicitations in its state and is authorized to enforce its state's laws regarding the solicitation of charitable donations. The Secretary of State of North Carolina regulates charities and charitable solicitations in its state and is authorized to enforce its state's laws regarding the solicitation of charitable donations. The Secretary of State of South Carolina regulates charities and charitable solicitations in its state and is authorized to enforce its state's laws regarding the solicitation of charitable donations. The Plaintiff States bring this action pursuant to consumer protection, business regulation, charitable solicitation, and/or charitable trust enforcement authority conferred on them by the following statutes and/or pursuant to *parens patriae* and/or common law authority.

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. §§ 6-1-103
Connecticut	Conn. Gen. Stat. § 3-125; Conn. Gen. Stat. § 21a – 190l(b); Conn. Gen. Stat. § 42-110m(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.
Indiana	IND. CODE §§ 23-7-8-1 through -9; and 24-5-0.5-1 through -12
Maryland	MD. CODE ANN., BUS. REG. §§ 6-101 through 6-701 (LexisNexis 2024).
New York	N.Y. Executive Law §§ 171-a through 175, and 63(12); N.Y. Gen. Bus. Law § 349.
North Carolina	N.C. Gen. Stat. §§ 75-1.1 *et seq.*; N.C.G.S. 131F-20(1), (9), (10), (15), (18); 131F-21; 131F-23; 131F-24.
Oklahoma	OKLA. STAT. tit. 18 §§ 552.1 through 552.24 (West)
Oregon	OR. REV. STAT. §§128.801 through 128.898, 646.605 through 646.642, and 180.060(7)
South Carolina	S.C. CODE ANN. §§ 33-56-10 through 33-56-200.
Utah	UTAH CODE ANN. §§13-22-1 through 13-22-23; 13-26-1 through 13-26-11; and 13-11-1 through 13-11-23.

Virginia	VA. CODE ANN. §§ 57-48 through 57-69
West Virginia	W.Va. Code §§ 29-19-1, -15b; and W.Va. Code § 46A-1-101 through 46A-6-110
Wisconsin	WIS. STAT. §§ 202.01 through 202.18

DEFENDANTS

14. Kars-R-Us.com, Inc. ("Kars"), also doing business as DONATE CAR 2 VETERANS and donation2charity.com, is a California corporation with its principal place of business at 146 Verdugo Ave., Glendora, California 93004. Between at least 2012 and May 2023, Kars provided fundraising-related services to UBCF. Kars transacts or has transacted business in this District and throughout the United States. At all times material to this Complaint, acting alone or in concert with others, Kars made misrepresentations in its UBCF fundraising campaigns to consumers throughout the United States.

15. Michael Irwin was Kars's President and co-owner until he retired from Kars at the end of December 2022. Since January 2023, Irwin has continued to provide consulting services to Kars. At all times material to this Complaint, acting alone or in concert with others, Irwin formulated, directed, controlled, had the authority to control, or participated in the acts and practices of Kars, including the acts and practices set forth in this Complaint. Among other things, Irwin was responsible for negotiating and signing Kars's fundraising contracts with UBCF, formulating Defendants' UBCF solicitation campaign, vetting and assessing UBCF as a client, drafting UBCF's deceptive solicitation materials, overseeing the placement of UBCF ads, reviewing donor-related complaints, responding to regulatory and law enforcement inquiries, and overseeing all aspects of Kars's

fundraising operation. As a 50% owner of Kars, between 2017 and 2022, Irwin personally profited more than $2 million from Kars's deceptive UBCF fundraising campaigns. Irwin resides in this District and, in connection with the matters alleged herein, transacts or has transacted business in this District and throughout the United States.

16. Lisa Frank has been Kars's President and sole owner since January 2023. Prior to January 2023, Frank was the Vice-President and co-owned Kars with Michael Irwin. At all times material to this Complaint, acting alone or in concert with others, Frank formulated, directed, controlled, had the authority to control, or participated in the acts and practices of Kars, including the acts and practices set forth in this complaint. Among other things, Frank reviewed donor-related complaints and oversaw all aspects of Kars's fundraising operation. Frank was involved in communications between Irwin and UBCF executives regarding the placement, drafting, and approval of UBCF ads. As a 50% owner of Kars, between 2017 and 2022, Frank directly profited more than $2 million from Kars's deceptive UBCF fundraising campaigns. Frank resides in this District and, in connection with the matters alleged herein, transacts or has transacted business in this District and throughout the United States.

COMMERCE

17. At all times material 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

Defendants' Fundraising Operation

18. Since at least 2009, Defendants have solicited charitable donations nationwide through ads on national and local TV networks, radio,

and online and mobile platforms seeking donations of cars, boats, or recreational vehicles on behalf of numerous organizations claiming nonprofit status. Defendants' ads have appeared, for example, on such local and national TV networks as Univision, Azteca America, Telemundo, UniMas, CBS, Fox, ABC, and NBC.

19. Defendants orchestrate all aspects of their clients' fundraising activities. In addition to advertising on TV and radio, they also solicit on their own website, donation2charity.com, and on social media platforms such as Facebook, Instagram, and YouTube.

20. Subject to their client's purported approval, Defendants draft the scripts that their call centers use to process inbound calls from prospective donors. Defendants also draft responses to questions frequently asked by donors.

21. Defendants handle all donor inquiries including answering incoming calls. Defendants also retain all donor lists resulting from their fundraising campaigns.

22. Defendants coordinate the transportation of all vehicle donations and oversee the sale of donated vehicles. After Defendants secure a vehicle donation from a donor, they contract with a transport company to transfer the vehicle from the donor to an auto auction where the vehicle is liquidated.

23. Defendants assert that the vehicle donation program is used to "raise money for Charity." Kars's website, donaton2charity.com, further states:

- Probably the best reason for donating a car, boat or RV is that it helps a charity. Your old car might not seem that important to you, but the proceeds from the sale can provide continued services to the charity you wish to support.

- Donation 2 Charity will get you the maximum price at auction and 75% to 80% of the gross from each auto donation goes to the charity.

24. In truth, most of the proceeds from each vehicle donation do not go to charities. Defendants retain typically 80 – 90% of the gross amount fundraised to pay themselves and their vendors while the amount to the charity is 10 – 20% of the gross proceeds.

Defendants' Deceptive Fundraising for UBCF

25. Since at least 2012 and until at least May 2023, Defendants provided fundraising services to UBCF. UBCF is a New York-based organization that purports to assist individuals affected by cancer across the country.

26. Defendants notified UBCF that it was terminating its contract with UBCF in February 2023 after learning about Plaintiffs' investigation into Defendants' fundraising on behalf of UBCF. After notifying UBCF about the contract termination, Defendants continued to provide fundraising services to UBCF until May 2023.

27. Defendants' widely disseminated solicitation materials represented that donors' vehicle donations will be used by UBCF to provide free or low-cost breast screening to help catch breast cancer early and save hundreds or thousands of lives.

28. For example, in 2022, Defendants drafted ads that were broadcast on local radio stations throughout the nation with the following claims:

> My mother is a breast cancer survivor and United Breast Cancer Foundation saved her life. Her free exam detected the cancer

early and saved her life. Now the foundation needs your help to continue offering free exams or exams to detect breast cancer at a lower cost, saving more women's lives. Help us by donating your vehicle running or not . . . United [B]reast [C]ancer [F]oundation needs your help and your donation can literally save women's lives by helping detect breast cancer early, like how they did with my mother.

29. Between January 2023 and May 2023, Defendants created and aired the following TV ad on NBC:

. . . if you've got an unwanted car, you can donate it to the United Breast Cancer Foundation and help save a life through early breast cancer detection. They'll even come and pick it up for free … 1 out of every 8 women will be diagnosed with breast cancer. The breast screening program supported by the foundation help save lives. . . .

30. Throughout 2020, Defendants drafted and placed the following ad on UniMas, which was aired in Arizona and California (translated from Spanish):

Do you have an old car? You could donate it to the United Breast Cancer Foundation and save a life. They'll even come pick it up for free. United Breast Cancer Foundation has saved hundreds of women's lives through its free or low-cost breast cancer screenings. But they need your help. (877) 280-9346. They want to keep saving more lives through early detection, offering women free or low-cost breast cancer screenings. And by donating your old car, pickup, or truck, whether it runs or not, you can contribute to paying for these exams. (Cars, Pickups, Vans, and Trucks are accepted). In addition, you will receive a tax deduction for your charitable donation. (You can deduct the donation from your taxes. (877) 280-9346). Help the United Breast Cancer Foundation save lives by donating your old car, pickup, or truck. Call the number shown on the screen now to have the vehicle picked up for free. (UNITED BREAST CANCER FOUNDATION (877) 280-9346 Call Now! Donate your car! Save thousands of lives!)

31. Between January 2021 and May 2023, Defendants drafted and placed the following solicitation on Univision and UniMas, which was aired in Arizona, California, Washington, D.C., Florida, and Texas (translated from Spanish):

(You can donate your car to the United Breast Cancer Foundation.) Unwanted car? Give it to the United Breast Cancer Foundation as a donation. It doesn't matter whether your car runs. This organization saves lives, offering free and low-cost breast cancer screening. And you can be a part of this great mission by donating your car, pickup, or van and you can receive a tax deduction. Call the number on the screen today. They will come pick up your car quickly, at any time of day that is convenient for you. Call today.

32. Between January 2021 and May 2023, Defendants drafted and placed the following solicitation on Telemundo, UniMas, and Univision, which was aired in Arizona, California, Colorado, Washington, DC, Florida, New Mexico, New York, and Texas (translated from Spanish):

Your unwanted car, pickup, or van, working or not, will help cover the costs of these breast exams. And, you can receive a tax deduction. Help the United Breast Cancer Foundation [ ]. (1-877-675-4287).

33. In numerous instances, Defendants used images of hospitals and women getting breast cancer screenings to appeal to donors to donate their vehicles. The following are examples of screen shots from TV ads containing such images:

Figure 1 (English Translation provided by Plaintiffs).

Figure 2.

34. Defendants also drafted and placed ads on radio. For instance, the following ad was aired from January through March 2022 on local radio stations in Atlanta, New York, Chicago, and Las Vegas, and throughout the states of California, Florida, and Texas (translated from Spanish):

> You have an old car. Did you know you can donate it and save a life? The United Breast Cancer Foundation needs your help. They want to keep saving lives by offering free or low-cost breast exams for all women. When you donate your old car or pickup, whether or not it runs, that helps pay for all the exams. In addition, your donation is tax deductible. Call now: 800 815 8654, 1800 815 8654, 815 8654.

35. In some instances, Defendants drafted and sent text messages to donors stating (translated from Spanish):

> Do you have an unwanted car? Donate it to United Breast Cancer Foundation. It does not matter if it isn't running. This organization saves lives by offering free and low-cost breast cancer screening. You can be part of this great mission by donating your car, truck, or van and you can receive a deduction on your taxes.

36. In reality, UBCF used only a tiny fraction of the millions it collected from donors to provide free and low-cost breast screening services. Between 2017 and 2022, UBCF's filings to the IRS (Form 990s) indicate that UBCF raised approximately $174.4 million in total revenue. Of that total amount, it spent only $393,644 – *less than 0.23%* – on breast screening services.

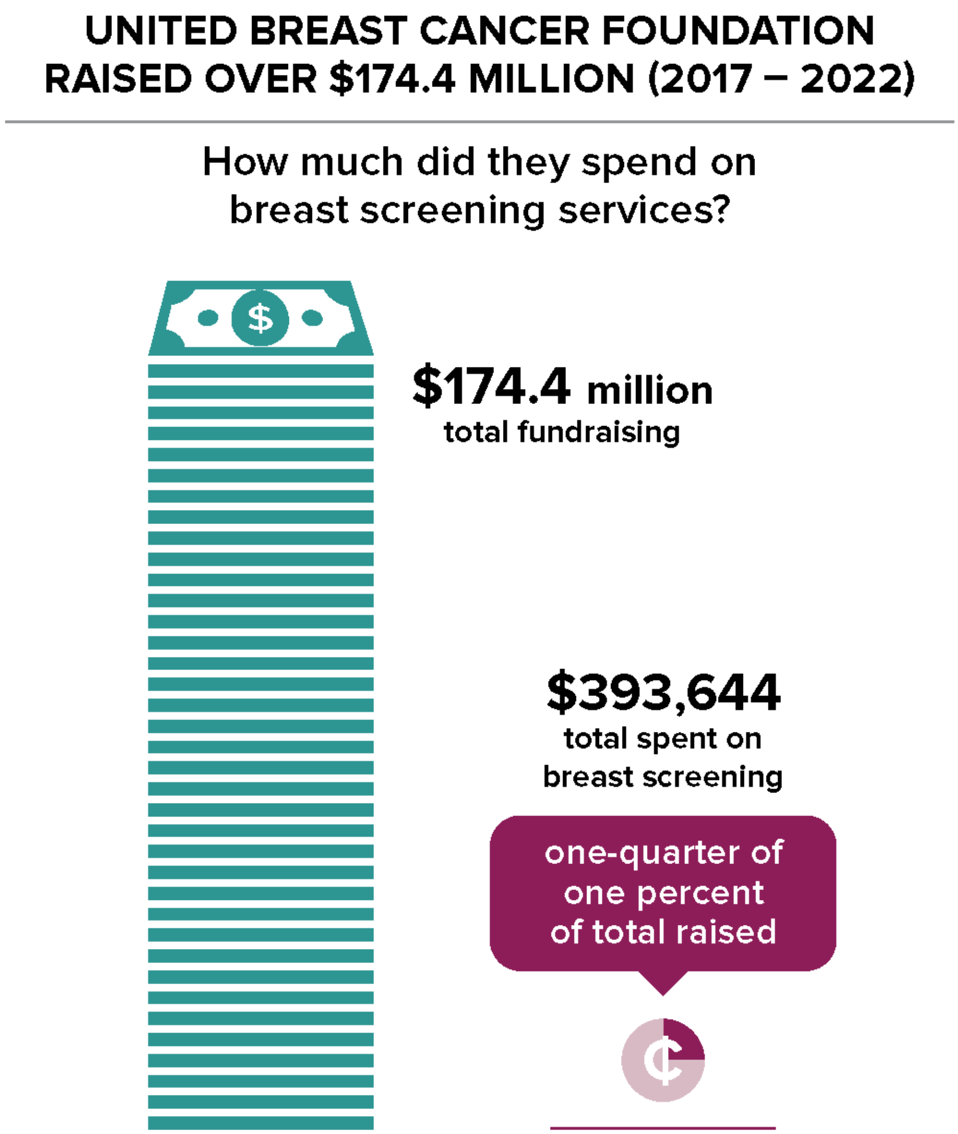


Figure 3: Illustration of total funds UBCF raised versus total amount spent on breast screening.

37. Therefore, neither Defendants nor UBCF had evidence that consumers' donations would be used to support breast screening services, and would, through such services, save numerous women's lives. Defendants' representations on behalf of UBCF were deceptive and unsubstantiated.

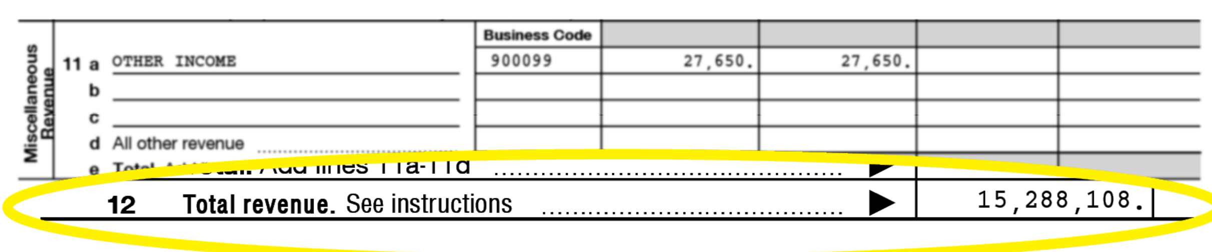
Defendants' Knowledge of Their Misrepresentations

38. Defendants knew or should have known that the claims they made that vehicle donations to UBCF would save lives by supporting free or low-cost breast screening services were deceptive or unsubstantiated.

39. Defendants knew or should have known that UBCF spent almost none of the funds donated to UBCF on breast cancer screening. For instance, all nonprofit organizations are required to submit Form 990 annually to the Internal Revenue Service; IRS Form 990 provides detailed information about the programs the nonprofit organization conducts, how much revenue it generates, and where it spends its donated funds. Nonprofit organizations often use their Forms 990, which are publicly available, to share information about their programs.

40. Defendants admitted to knowing that UBCF's IRS Forms 990 and audited financial statements were publicly available and posted on UBCF's website as well as on the IRS site. Despite visiting UBCF's website several times, Defendants indicated that they did not click on or review UBCF's IRS Forms 990 or any other financial forms that were posted on UBCF's website. Year after year, these financial reports consistently demonstrated UBCF's very minimal spending on breast screening services.

41. For example, UBCF's IRS Form 990 from 2020 states that it raised $15,288,108 in total revenue.



		Business Code				
Miscellaneous Revenue	11 a OTHER INCOME	900099	27,650.	27,650.		
	b					
	c					
	d All other revenue					
	e Total. Add lines 11a-11d ▶					
	12 Total revenue. See instructions ▶				15,288,108.	

Figure 4: IRS Form 990 filed by UBCF (2020), captured by Plaintiffs.

42. Schedule I of the Form shows that of that total amount, UBCF spent only $6,080 – less than 0.04% – on breast screening services that year.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of noncash assistance
INDIVIDUAL AND ORGANIZATIONAL GRANTS	35	27,363.	10,784.	COST BASIS AND FAIR MARKET VALUE	
CHILD SPONSORSHIPS	41	5,386.	0.	FAIR MARKET VALUE	
HOLISTIC CARE	58	3,570.	720.	COST BASIS AND FAIR MARKET VALUE	
BREAST SCREENING SERVICES	70	6,080.			
COVID EMERGENCY ASSISTANCE PROGRAM	762	46,765.	187,134.	FAIR MARKET VALUE	GIFT CARDS, EBOOKS, EMOVIES, AND APP SUBSCRIPTIONS.

Figure 5: IRS Form 990 filed by UBCF (2020), captured by Plaintiffs.

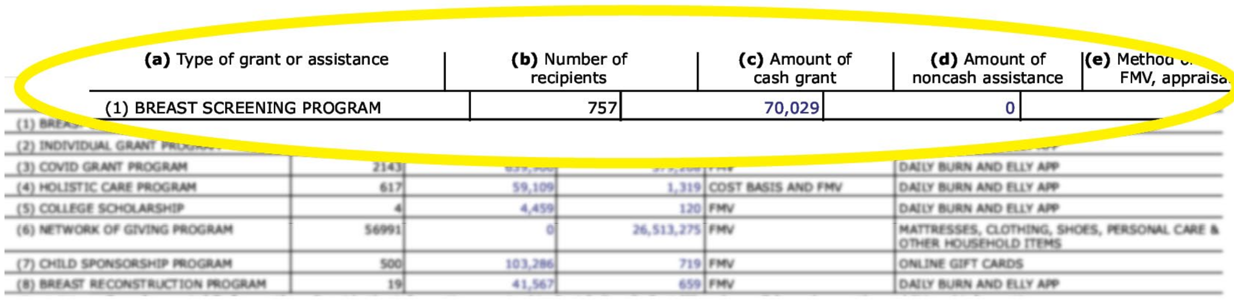
43. UBCF's Form 990 from 2022 states that it raised $57,017,907 in total revenue.

Miscellaneous Revenue	Business Code				
11a OTHER INCOME	900099	37,514			37,514
b					
c					
d All other revenue					
e Total. Add lines 11a–11d . . . . ▶					
12 Total revenue. See instructions . . . . . . ▶		57,017,907	0	0	37,514

Form 990 (2021)

Figure 6: IRS Form 990 filed by UBCF (2022), captured by Plaintiffs.

44. Schedule I of the Form shows that of that total amount, UBCF spent only $70,029 – 0.12% – on breast screening services that year.



(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of noncash assistance	(e) Method of FMV, appraisa
(1) BREAST SCREENING PROGRAM	757	70,029	0	

(1) BREA					
(2) INDIVIDUAL GRANT PRO					
(3) COVID GRANT PROGRAM	2143	[illegible]	[illegible]	FMV	DAILY BURN AND ELLY APP
(4) HOLISTIC CARE PROGRAM	617	59,109	1,319	COST BASIS AND FMV	DAILY BURN AND ELLY APP
(5) COLLEGE SCHOLARSHIP	4	4,459	120	FMV	DAILY BURN AND ELLY APP
(6) NETWORK OF GIVING PROGRAM	56991	0	26,513,275	FMV	MATTRESSES, CLOTHING, SHOES, PERSONAL CARE & OTHER HOUSEHOLD ITEMS
(7) CHILD SPONSORSHIP PROGRAM	500	103,286	719	FMV	ONLINE GIFT CARDS
(8) BREAST RECONSTRUCTION PROGRAM	19	41,567	659	FMV	DAILY BURN AND ELLY APP

Figure 7: IRS Form 990 filed by UBCF (2022), captured by Plaintiffs.

45. UBCF's financial reports, which were also available on UBCF's website, document other questionable spending that should, at a minimum, have raised numerous red flags for Defendants. For example, as shown in the figure below, they consistently showed that UBCF paid its CEO, Audrey Stephanie Mastroianni, salary and benefits well in excess of what UBCF spent on its breast screening programs.

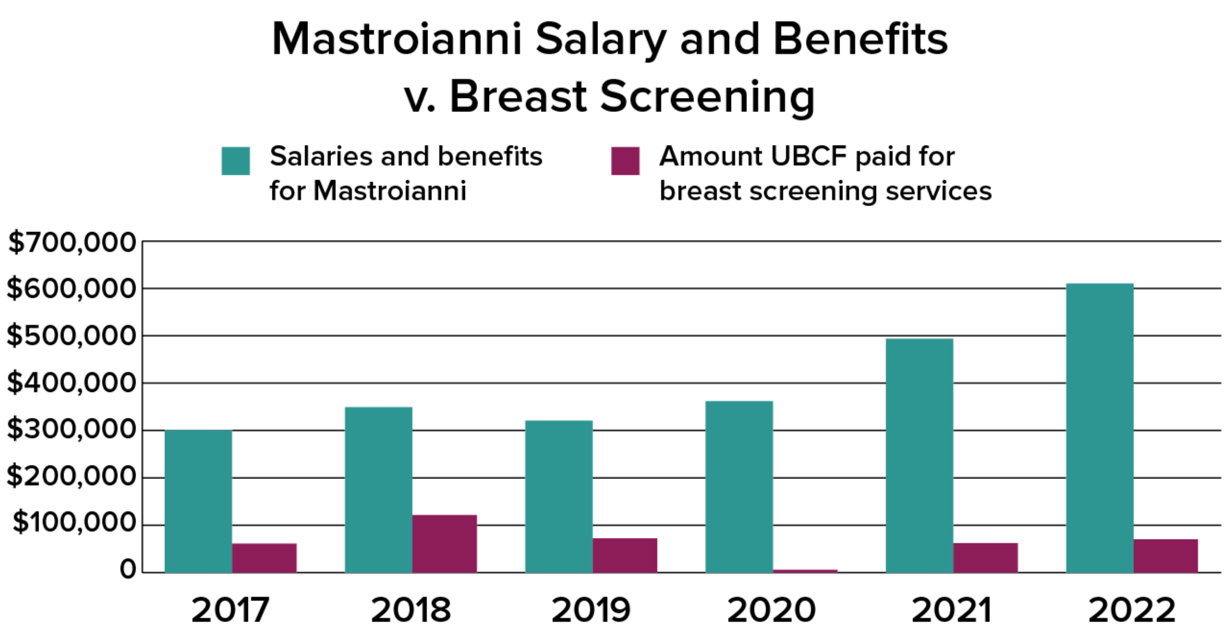


Figure 8: Illustration of total compensation to UBCF's CEO versus amount spent on breast screening created by Plaintiffs based on amounts listed in publicly available UBCF financial reports.

46. UBCF's financial reports were not the only publicly available documents that should have raised significant questions about its programs and spending. In 2021, in a widely publicized action, the FTC and Attorneys General of numerous states filed a law enforcement action against Associated Community Services, Inc. ("ACS") for making deceptive charitable solicitations for several nonprofit organizations, including UBCF. *See FTC v. Associated Cmty. Servs., Inc.*, No. 2:21-cv-10174 (E.D. Mich. complaint filed Jan. 26, 2021) (complaint available at https://www.ftc.gov/system/files/documents/cases/1_-_complaint_2.pdf).

47. The publicly available complaint in the matter alleged that ACS made false or misleading claims that donors' contributions would go to UBCF to help prevent or detect cancer by providing free or low-cost cancer screenings. It stated that "United Breast Cancer Foundation . . . [does not spend] more than an insignificant amount of donors' contributions providing mammograms or other cancer screenings to anyone. Indeed, in its 2018 Form 990, [UBCF] reported spending $121,369 of the more than $24 million in contributions, or less than one-half of one percent of donations, on breast screening services."

48. Since at least 2013, due diligence on UBCF would have uncovered investigative reports in the general media and philanthropic journals warning of UBCF's poor practices. For example, in 2013, the Tampa Bay Times, a Florida newspaper, and the Center for Investigative Reporting collaborated in a year-long investigation to expose the "50 worst charities." The investigative report, which was picked up by national, local, and even international media and organizations like The Chronicle of Philanthropy, Philanthropy Works, and Non-Profit Quarterly, noted that UBCF raised over $11.6 million over a ten-year period with $6.6 million

going to the professional fundraisers and only approximately 6.3% going to direct cash aid.

49. Additionally, charity watchdog groups have questioned UBCF's spending practices. For example, in 2022 Charity Watch issued a report giving UBCF an "F," finding that it spent only 7% of revenue on programs. Such reports should certainly have raised red flags that warranted inquiry by Defendants into UBCF's practices and the claims that Defendants were making on behalf of UBCF.

Defendants Fail to Possess and Rely on Adequate Substantiation for Their Claims

50. Defendants did not take steps to independently ascertain the truthfulness of the claims they drafted on behalf of UBCF, focusing instead on the substantial revenue generated by those claims.

51. Defendants were also on notice directly from UBCF that a specific, powerful claim on behalf of UBCF was deceptive. On March 3, 2021, UBCF's CEO, Mastroianni, informed Defendants in an email that UBCF "[did] not have an exact testimonial" for the following claim that was broadcast on radio stations: "My mom's a breast cancer survivor . . . The United Breast Cancer Foundation saved her life – their free breast cancer exam caught the cancer early, and it saved her life . . . But now the Foundation needs your help so they can continue offering free or low-cost breast screening exams, saving more women's lives . . . ."

52. Although UBCF expressly stated in the March 3, 2021 email referenced directly above that it could not support the claim, Defendant Irwin insisted on continuing to run ads that UBCF "saved someone's life" because those particular ads generated "well in excess of $100,000 every month."

53. UBCF was Defendants' most profitable client. Between 2017 and 2022, UBCF solicitations brought in as much as 70 – 90 % of Defendants' total revenue every year. Irwin and Frank pocketed more than $4 million during that same period.

54. Additionally, as shown in Figure 9 below, the vast majority of donated funds that Kars raised on behalf of UBCF did not go to UBCF. Between 2017 and 2022, Defendants raised over $45.5 million on behalf of UBCF, of which $34.9 million went to Kars and its vendors, with Irwin and Frank pocketing more than $4 million.

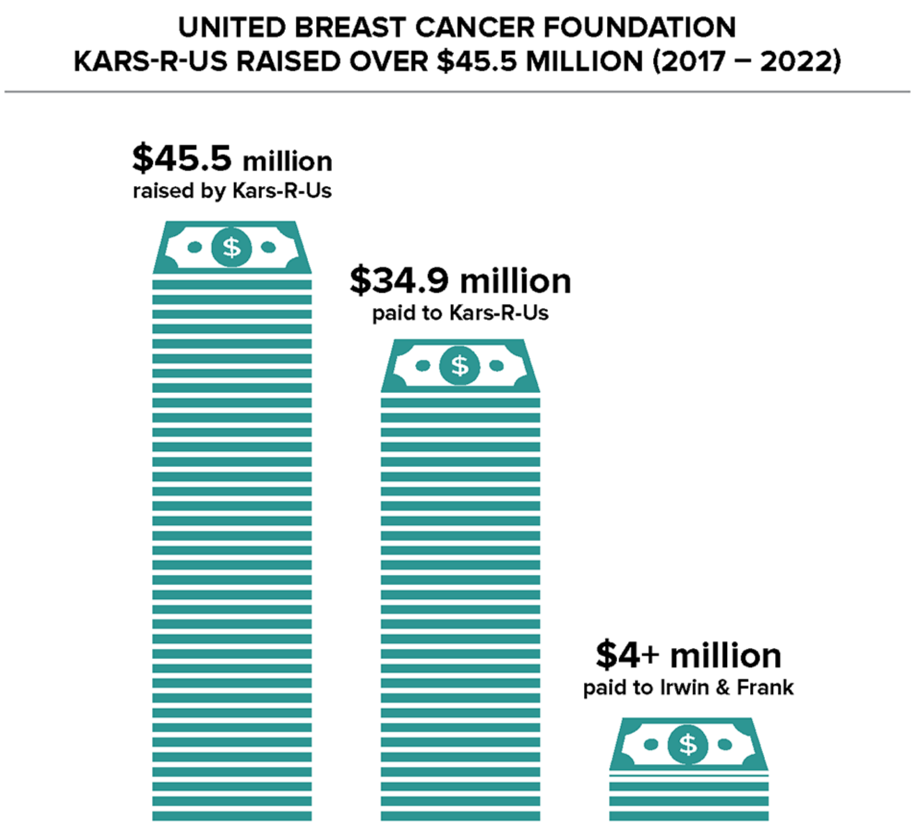


Figure 9: Illustration of the various amounts paid to Defendants.

55. In some years, closer to 90% of total funds raised on behalf of UBCF went to Defendants and their vendors. For example, in 2017, Defendants raised over $1.72 million for UBCF, but only gave $182,255 –

approximately 10% – to UBCF.

56. According to UBCF's CEO Mastroianni, Irwin expressed to her in late 2019 that "breast cancer is a dime a dozen and he doesn't need [UBCF], he just needs the [breast cancer] disease to make money."

57. Defendants took no meaningful steps to investigate the truthfulness of the claims they made to the public so long as the ad claims generated revenue – even though a simple online search would have produced UBCF's IRS Form 990s and financial reports, charity watchdog ratings, and news articles identifying UBCF as one of the 50 worst charities in the nation. A simple internet search would have also revealed the widely publicized action that the FTC and attorneys general of numerous states filed against ACS for making deceptive fundraising claims regarding UBCF's provision of free breast screening services.

Irwin and Frank Have Participated in and Oversaw the Deceptive Ads with Knowledge

58. Defendants Irwin and Frank directly participated in the deceptive advertising on behalf of UBCF. Among other things, Defendants Irwin and Frank oversaw the ads that were disseminated across all media channels. Irwin drafted the solicitation materials and Frank oversaw the FAQs that the call centers use to process inbound calls from prospective donors. The FAQs included statements that gave the misleading impression that a significant amount of their donation would go to UBCF, when in fact, the vast majority of donated funds went to Kars. Although Irwin was mainly responsible for drafting and overseeing solicitation materials, Frank was copied on many communications between Irwin and UBCF's executives regarding the drafting and review of the solicitation materials that Defendants disseminated on UBCF's behalf.

59. Furthermore, Irwin was responsible for reviewing and responding to any complaints from donors and responding to regulatory and law enforcement inquiries regarding its fundraising operation for UBCF. He also negotiated the contract with UBCF, which provided that only 10 – 20% of total funds raised would go to UBCF.

60. Irwin and Frank participated in and controlled the acts and practices of Kars on behalf of UBCF and knew, or should have known, that the claims Defendants made and disseminated on behalf of UBCF were deceptive or lacked substantiation.

Harm to Donors

61. Many vehicle donation programs exist for legitimate charities that spend donors' contributions as claimed. Here, however, generous donors responded to Defendants' call to help save lives, relying on the deceptive and unsubstantiated claims that UBCF would spend proceeds from the sale of their vehicles on free or low-cost breast screening services.

62. Between 2017 and 2022, more than 84,700 donors throughout the United States, contributed their vehicles generating approximately $45.5 million in value to UBCF in response to Defendants' ads, including donors from Arkansas, California, Colorado, Connecticut, Delaware, the District of Columbia, Florida, Georgia, Illinois, Indiana, Maryland, New York, North Carolina, Oklahoma, Oregon, South Carolina, Texas, Utah, Virginia, West Virginia, and Wisconsin.

63. In actuality, based on a pro rata calculation, only $126,815, or 0.28%, of what Defendants raised on behalf of UBCF, went to provide breast cancer screenings.

64. These donors were deceived, and their charitable contributions largely wasted. Many legitimate charities accept car donations. Thus,

legitimate charitable vehicle donation programs lost out and donors lost the opportunity to support the many legitimate charitable organizations operating real charitable programs.

65. Defendants terminated their contract with UBCF in February 2023, after learning of the Plaintiffs' investigation into Defendants' practices. Defendants have done little to nothing to improve their charity vetting practices.

66. Defendants consistently fail to ascertain the truthfulness or reasonable basis for the claims that they make on behalf of their clients so long as the claims generate revenue.

67. Defendants continue to rely on a superficial approval of the ads that they draft and run on behalf of their charity clients. They continue to fail to take adequate steps to ascertain the truthfulness or accuracy of the claims that they make on behalf of their clients, focusing instead on whether the claims generate high returns. Defendants still do not check publicly and readily available financial information of their clients, nor have they made any meaningful efforts to enhance their compliance efforts, even after learning about Plaintiffs' investigation and serious allegations.

68. Based on these circumstances, the FTC has reason to believe that Defendants are violating or about to violate laws enforced by the Commission.

VIOLATIONS OF THE FTC ACT

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

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

COUNT I

Misrepresentations that Contributions Support Breast Cancer Screening

(By the FTC and the Plaintiff States)

71. In numerous instances, in connection with soliciting charitable contributions from donors, Defendants have represented, directly or indirectly, expressly or by implication, that donations to UBCF would be used to save lives by providing free or low-cost breast cancer screening services.

72. In truth and in fact, in numerous instances in which Defendants have made the representation set forth in Paragraph 71, little or none of the donors' contributions have been spent providing free or low-cost breast cancer screening services.

73. Therefore, Defendants' representations as set forth in Paragraph 72 of this Complaint are false or misleading or were not substantiated at the time the representations were made, and constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

74. The foregoing practices also violate the laws of each Plaintiff State as follows:

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. § 6-16-111(1)(g); Colo. Rev. Stat. § 6-1-105(1)(hh)
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. § 460/9(c).
Indiana	IND. CODE §§ 23-7-8-7(a)(4); 24-5-0.5-3(b)(1).
Maryland	MD. CODE ANN., BUS. REG. §§ 6-607, 6-608, 6-610 (LexisNexis 2024).
New York	N.Y. Executive Law §§ 171-a through 175, and 63(12); N.Y. Gen. Bus. Law § 349.
North Carolina	N.C. GEN. STAT. §§ 75-1.1 *et. seq.*; N.C.G.S. 131F-20 (1), (9), (10), (15), (18); 131F-21
Oklahoma	OKLA. STAT. tit. 18 §§ 552.14a (West)
Oregon	OR. REV. STAT. §§128.886; 646.608(dd)
South Carolina	S.C. CODE ANN. § 33-56-120
Utah	UTAH CODE §§ 13-22-13(3), 13-11-4, 13-26-11(2)(b)
Virginia	VA. CODE ANN. § 57-57(L)
West Virginia	W. Va. Code § 46A-6-101 *et seq*.; W. Va. Code §§ 29-19-8, -13
Wisconsin	Wis. Stat. § 202.16(1)(a), (d), (k).

COUNT II

Failure to Substantiate Claims

(By the FTC and the Plaintiff States)

75. In numerous instances, in connection with soliciting charitable contributions from donors, Defendants have represented, directly or indirectly, expressly or by implication, that donations to UBCF would be used to provide free or low-cost breast cancer screening services. In making these representations to donors while soliciting contributions, Defendants have represented, directly or indirectly, expressly or by implication, that they possessed and relied upon a reasonable basis that substantiated the claim that donations to UBCF would be used to provide free or low-cost breast cancer screening services at the time the representations were made.

76. In truth and in fact, Defendants did not possess and rely upon a reasonable basis that substantiated such representations, at the time the representations were made.

77. Therefore, Defendants' representations as alleged in Paragraph 75 are false or misleading or were not substantiated at the time the representations were made, and constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act.

78. The foregoing practices also violate the laws of each Plaintiff State as follows:

STATE	STATUTORY AUTHORITY
Arkansas	Ark. Code Ann. § 4-28-412
Colorado	Colo. Rev. Stat. § 6-16-111(1)(i); Colo. Rev. Stat. § 6-1-105(1)(hh)

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. § 460/9(c).
Maryland	MD. CODE ANN., BUS. REG. §§ 6-607, 6-608 (LexisNexis 2024).
New York	N.Y. Executive Law §§ 171-a through 175, and 63(12); N.Y. Gen. Bus. Law § 349.
North Carolina	N.C.G.S. § 75-1 et seq., N.C.G.S. § 131F-20(1), N.C.G.S. § 131F-20(10), N.C.G.S. § 131F-20(15), N.C.G.S. § 131F-20(18), N.C.G.S. § 131F-21
Oregon	OR. REV. STAT. §§128.886; 646.608(dd).
South Carolina	S.C. CODE ANN. § 33-56-120
Utah	UTAH CODE §§ 13-22-13(3), 13-11-4
Virginia	VA. CODE ANN. § 57-57(L)
West Virginia	W. Va. Code § 46A-6-101 *et seq*.; W. Va. Code §§ 29-19-8, -13
Wisconsin	Wis. Stat. § 202.16(1)(a), (d)

INJURY

79. Donors are suffering, have suffered, and will continue to suffer substantial injury as a result of Defendants' violations of the FTC Act and

state law. In addition, Defendants have been unjustly enriched as a result of their unlawful acts or practices. Absent injunctive relief by this Court, Defendants are likely to continue to injure donors, reap unjust enrichment, and harm the public interest.

THE COURT'S POWER TO GRANT RELIEF

80. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant injunctive and such other relief as the Court may deem appropriate to halt violations of any provision of law enforced by the FTC.

81. Pursuant to 28 U.S.C. § 1367, this Court has supplemental jurisdiction to allow the Plaintiff States to enforce their state laws against Defendants in this Court and to grant such relief as provided under the following state laws, including injunctive relief, rescission or reformation of contracts, restitution, the refund of monies paid, the disgorgement of ill-gotten monies, civil penalties, attorneys' fees, expenses, costs, and such other relief to which the Plaintiff States may be entitled:

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. § 21a-190i(b)(d), Conn. Gen. Stat. § 42-110m(a), Conn. Gen. Stat. § 42-110o(b)
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.
Indiana	IND. CODE §§ 23-7-8-1 through -9; and 24-5-0.5-1 through -12
Maryland	MD. CODE ANN., BUS. REG. §§ 6-205(f), 6.5-102(a) (LexisNexis 2024)
New York	N.Y. Executive Law §§ 171-a through 175, and 63(12); N.Y. Gen. Bus. Law § 349.
North Carolina	N.C.G.S. § 75-14 to 16.2, N.C.G.S. § 131F-22. N.C.G.S. § 131F-23, N.C.G.S. § 131F-24
Oklahoma	Okla. Stat. Ann. tit. 18 §§ 552.14a (West)
Oregon	OR. REV. STAT. §§128.735; 128.801 through 128.898, 646.605 through 646.642
South Carolina	S.C. CODE ANN. § 33-56-140
Utah	UTAH CODE §§ 13-11-17, 13-22-3, 13-26-8
Virginia	VA. CODE ANN. § 57-59(D) and (E)
West Virginia	W. Va. Code § 46A-7-101 *et seq*.; W. Va. Code §§ 29-19-15, -15a, and -15b
Wisconsin	Wis. Stat. §§ 202.06; 202.18

PRAYER FOR RELIEF BY THE FTC AND THE STATES

Wherefore, Plaintiffs respectfully request that the Court:

A. Enter a permanent injunction to prevent future violations of the FTC Act and state law by Defendants;

B. Award such relief as the Court finds necessary to redress injury to donors resulting from Defendants' violations of state laws, including but not limited to, rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten gains; and

C. Award Plaintiffs the costs of bringing this action, attorneys' fees, and such other and additional relief as the Court may determine to be just and proper.

Respectfully submitted,

Dated: Sept. 25, 2025

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UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET

I. (a) PLAINTIFFS (Check box if you are representing yourself ☐)
Federal Trade Commission (See Attachment for additional Plaintiffs)

DEFENDANTS (Check box if you are representing yourself ☐)
Kars-R-Us.com, Inc.; Michael Irwin; and Lisa Frank

(b) County of Residence of First Listed Plaintiff ______
(EXCEPT IN U.S. PLAINTIFF CASES)

County of Residence of First Listed Defendant Los Angeles County
(IN U.S. PLAINTIFF CASES ONLY)

(c) Attorneys (*Firm Name, Address and Telephone Number*) If you are representing yourself, provide the same information.
Federal Trade Commission - David Hankin, 10990 Wilshire Blvd., Suite 400, LA CA 90024-(310) 824-8303; J. Ronald Brooke, Jr., Miry Kim, and Elsie Kappler, 600 Pennsylvania Ave., NW, CC-6316, Washington DC 20580 - (202) 326-3484

Attorneys (*Firm Name, Address and Telephone Number*) If you are representing yourself, provide the same information.
Karen Donnelly and Colin Gregory, Copilevitz, Lam & Raney, P.C., 310 W. 20th St., Suite 300, Kansas City, MO 64108 - (816) 472-9000

II. BASIS OF JURISDICTION (Place an X in one box only.)

- ☒ 1. U.S. Government Plaintiff
- ☐ 3. Federal Question (U.S. Government Not a Party)
- ☐ 2. U.S. Government Defendant
- ☐ 4. Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES-For Diversity Cases Only
(Place an X in one box for plaintiff and one for defendant)

	PTF	DEF		PTF	DEF
Citizen of This State	☐ 1	☐ 1	Incorporated or Principal Place of Business in this State	☐ 4	☐ 4
Citizen of Another State	☐ 2	☐ 2	Incorporated and Principal Place of Business in Another State	☐ 5	☐ 5
Citizen or Subject of a Foreign Country	☐ 3	☐ 3	Foreign Nation	☐ 6	☐ 6

IV. ORIGIN (Place an X in one box only.)
☒ 1. Original Proceeding ☐ 2. Removed from State Court ☐ 3. Remanded from Appellate Court ☐ 4. Reinstated or Reopened ☐ 5. Transferred from Another District (Specify) ☐ 6. Multidistrict Litigation - Transfer ☐ 8. Multidistrict Litigation - Direct File

V. REQUESTED IN COMPLAINT: JURY DEMAND: ☐ Yes ☒ No (Check "Yes" only if demanded in complaint.)

CLASS ACTION under F.R.Cv.P. 23: ☐ Yes ☒ No ☐ **MONEY DEMANDED IN COMPLAINT:** $ ______

VI. CAUSE OF ACTION (Cite the U.S. Civil Statute under which you are filing and write a brief statement of cause. Do not cite jurisdictional statutes unless diversity.)
15 U.S.C. secs. 45(a) and 53(b); violation of Section 5(a) of the FTC Act, 15 U.S.C. sec. 45(a); and related state laws.

VII. NATURE OF SUIT (Place an X in one box only).

OTHER STATUTES
- ☐ 375 False Claims Act
- ☐ 376 Qui Tam (31 USC 3729(a))
- ☐ 400 State Reapportionment
- ☐ 410 Antitrust
- ☐ 430 Banks and Banking
- ☐ 450 Commerce/ICC Rates/Etc.
- ☐ 460 Deportation
- ☐ 470 Racketeer Influenced & Corrupt Org.
- ☐ 480 Consumer Credit
- ☐ 485 Telephone Consumer Protection Act
- ☐ 490 Cable/Sat TV
- ☐ 850 Securities/Commodities/Exchange
- ☒ 890 Other Statutory Actions
- ☐ 891 Agricultural Acts
- ☐ 893 Environmental Matters
- ☐ 895 Freedom of Info. Act
- ☐ 896 Arbitration
- ☐ 899 Admin. Procedures Act/Review of Appeal of Agency Decision
- ☐ 950 Constitutionality of State Statutes

CONTRACT
- ☐ 110 Insurance
- ☐ 120 Marine
- ☐ 130 Miller Act
- ☐ 140 Negotiable Instrument
- ☐ 150 Recovery of Overpayment & Enforcement of Judgment
- ☐ 151 Medicare Act
- ☐ 152 Recovery of Defaulted Student Loan (Excl. Vet.)
- ☐ 153 Recovery of Overpayment of Vet. Benefits
- ☐ 160 Stockholders' Suits
- ☐ 190 Other Contract
- ☐ 195 Contract Product Liability
- ☐ 196 Franchise

REAL PROPERTY
- ☐ 210 Land Condemnation
- ☐ 220 Foreclosure
- ☐ 230 Rent Lease & Ejectment

REAL PROPERTY CONT.
- ☐ 240 Torts to Land
- ☐ 245 Tort Product Liability
- ☐ 290 All Other Real Property

TORTS
PERSONAL INJURY
- ☐ 310 Airplane
- ☐ 315 Airplane Product Liability
- ☐ 320 Assault, Libel & Slander
- ☐ 330 Fed. Employers' Liability
- ☐ 340 Marine
- ☐ 345 Marine Product Liability
- ☐ 350 Motor Vehicle
- ☐ 355 Motor Vehicle Product Liability
- ☐ 360 Other Personal Injury
- ☐ 362 Personal Injury-Med Malpratice
- ☐ 365 Personal Injury-Product Liability
- ☐ 367 Health Care/ Pharmaceutical Personal Injury Product Liability
- ☐ 368 Asbestos Personal Injury Product Liability

IMMIGRATION
- ☐ 462 Naturalization Application
- ☐ 465 Other Immigration Actions

TORTS
PERSONAL PROPERTY
- ☐ 370 Other Fraud
- ☐ 371 Truth in Lending
- ☐ 380 Other Personal Property Damage
- ☐ 385 Property Damage Product Liability

BANKRUPTCY
- ☐ 422 Appeal 28 USC 158
- ☐ 423 Withdrawal 28 USC 157

CIVIL RIGHTS
- ☐ 440 Other Civil Rights
- ☐ 441 Voting
- ☐ 442 Employment
- ☐ 443 Housing/ Accommodations
- ☐ 445 American with Disabilities-Employment
- ☐ 446 American with Disabilities-Other
- ☐ 448 Education

PRISONER PETITIONS
Habeas Corpus:
- ☐ 463 Alien Detainee
- ☐ 510 Motions to Vacate Sentence
- ☐ 530 General
- ☐ 535 Death Penalty

Other:
- ☐ 540 Mandamus/Other
- ☐ 550 Civil Rights
- ☐ 555 Prison Condition
- ☐ 560 Civil Detainee Conditions of Confinement

FORFEITURE/PENALTY
- ☐ 625 Drug Related Seizure of Property 21 USC 881
- ☐ 690 Other

LABOR
- ☐ 710 Fair Labor Standards Act
- ☐ 720 Labor/Mgmt. Relations
- ☐ 740 Railway Labor Act
- ☐ 751 Family and Medical Leave Act
- ☐ 790 Other Labor Litigation
- ☐ 791 Employee Ret. Inc. Security Act

PROPERTY RIGHTS
- ☐ 820 Copyrights
- ☐ 830 Patent
- ☐ 835 Patent - Abbreviated New Drug Application
- ☐ 840 Trademark
- ☐ 880 Defend Trade Secrets Act of 2016 (DTSA)

SOCIAL SECURITY
- ☐ 861 HIA (1395ff)
- ☐ 862 Black Lung (923)
- ☐ 863 DIWC/DIWW (405 (g))
- ☐ 864 SSID Title XVI
- ☐ 865 RSI (405 (g))

FEDERAL TAX SUITS
- ☐ 870 Taxes (U.S. Plaintiff or Defendant)
- ☐ 871 IRS-Third Party 26 USC 7609

FOR OFFICE USE ONLY: Case Number:

UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET

VIII. VENUE: Your answers to the questions below will determine the division of the Court to which this case will be initially assigned. This initial assignment is subject to change, in accordance with the Court's General Orders, upon review by the Court of your Complaint or Notice of Removal.

QUESTION A: Was this case removed from state court? ☐ Yes ☒ No	STATE CASE WAS PENDING IN THE COUNTY OF:	INITIAL DIVISION IN CACD IS:
If "no, " skip to Question B. If "yes," check the box to the right that applies, enter the corresponding division in response to Question E, below, and continue from there.	☐ Los Angeles, Ventura, Santa Barbara, or San Luis Obispo	Western
	☐ Orange	Southern
	☐ Riverside or San Bernardino	Eastern

QUESTION B: Is the United States, or one of its agencies or employees, a PLAINTIFF in this action? ☒ Yes ☐ No	**B.1.** Do 50% or more of the defendants who reside in the district reside in Orange Co.? *check one of the boxes to the right* →	☐ YES. Your case will initially be assigned to the Southern Division. Enter "Southern" in response to Question E, below, and continue from there.
		☒ NO. Continue to Question B.2.
If "no, " skip to Question C. If "yes," answer Question B.1, at right.	**B.2.** Do 50% or more of the defendants who reside in the district reside in Riverside and/or San Bernardino Counties? (Consider the two counties together.) *check one of the boxes to the right* →	☐ YES. Your case will initially be assigned to the Eastern Division. Enter "Eastern" in response to Question E, below, and continue from there.
		☒ NO. Your case will initially be assigned to the Western Division. Enter "Western" in response to Question E, below, and continue from there.
QUESTION C: Is the United States, or one of its agencies or employees, a DEFENDANT in this action? ☐ Yes ☒ No	**C.1.** Do 50% or more of the plaintiffs who reside in the district reside in Orange Co.? *check one of the boxes to the right* →	☐ YES. Your case will initially be assigned to the Southern Division. Enter "Southern" in response to Question E, below, and continue from there.
		☐ NO. Continue to Question C.2.
If "no, " skip to Question D. If "yes," answer Question C.1, at right.	**C.2.** Do 50% or more of the plaintiffs who reside in the district reside in Riverside and/or San Bernardino Counties? (Consider the two counties together.) *check one of the boxes to the right* →	☐ YES. Your case will initially be assigned to the Eastern Division. Enter "Eastern" in response to Question E, below, and continue from there.
		☐ NO. Your case will initially be assigned to the Western Division. Enter "Western" in response to Question E, below, and continue from there.

QUESTION D: Location of plaintiffs and defendants?	A. Orange County	B. Riverside or San Bernardino County	C. Los Angeles, Ventura, Santa Barbara, or San Luis Obispo County
Indicate the location(s) in which 50% or more of *plaintiffs who reside in this district* reside. (Check up to two boxes, or leave blank if none of these choices apply.)	☐	☐	☐
Indicate the location(s) in which 50% or more of *defendants who reside in this district* reside. (Check up to two boxes, or leave blank if none of these choices apply.)	☐	☐	☒

D.1. Is there at least one answer in Column A?

☐ Yes ☒ No

If "yes," your case will initially be assigned to the

SOUTHERN DIVISION.

Enter "Southern" in response to Question E, below, and continue from there.

If "no," go to question D2 to the right. →

D.2. Is there at least one answer in Column B?

☐ Yes ☒ No

If "yes," your case will initially be assigned to the

EASTERN DIVISION.

Enter "Eastern" in response to Question E, below.

If "no," your case will be assigned to the WESTERN DIVISION.

Enter "Western" in response to Question E, below.

QUESTION E: Initial Division?	INITIAL DIVISION IN CACD
Enter the initial division determined by Question A, B, C, or D above: →	WESTERN

QUESTION F: Northern Counties?

Do 50% or more of plaintiffs or defendants in this district reside in Ventura, Santa Barbara, or San Luis Obispo counties? ☐ Yes ☒ No

UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET

IX(a). IDENTICAL CASES: Has this action been previously filed **in this court**? ☒ NO ☐ YES

If yes, list case number(s): ______

IX(b). RELATED CASES: Is this case related (as defined below) to any civil or criminal case(s) previously filed **in this court**? ☒ NO ☐ YES

If yes, list case number(s): ______

If yes, you must file a Notice of Related Cases. See Local Rule 83-1.3.

Civil cases are related when they (check all that apply):

☐ A. Arise from the same or a closely related transaction, happening, or event;

☐ B. Call for determination of the same or substantially related or similar questions of law and fact; or

☐ C. For other reasons would entail substantial duplication of labor if heard by different judges.

Note: That cases may involve the same patent, trademark, or copyright is not, in itself, sufficient to deem cases related.

A civil forfeiture case and a criminal case are related when they (check all that apply):

☐ A. Arise from the same or a closely related transaction, happening, or event;

☐ B. Call for determination of the same or substantially related or similar questions of law and fact; or

☐ C. Involve one or more defendants from the criminal case in common and would entail substantial duplication of labor if heard by different judges.

X. STATEWIDE OR NATIONWIDE RELIEF: Does this case seek to bar or mandate enforcement of a state or federal law and seek declaratory or injunctive relief on a statewide or nationwide basis? ☒ NO ☐ YES

If yes, see Local Rule 83-11 for additional requirements.

XI. SIGNATURE OF ATTORNEY (OR SELF-REPRESENTED LITIGANT): ______ DATE: 9/24/2025

Notice to Counsel/Parties: The submission of this Civil Cover Sheet is required by Local Rule 3-1. This Form CV-71 and the information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. For more detailed instructions, see separate instruction sheet (CV-071A).

Key to Statistical codes relating to Social Security Cases:

Nature of Suit Code	Abbreviation	Substantive Statement of Cause of Action
861	HIA	All claims for health insurance benefits (Medicare) under Title 18, Part A, of the Social Security Act, as amended. Also, include claims by hospitals, skilled nursing facilities, etc., for certification as providers of services under the program. (42 U.S.C. 1935FF(b))
862	BL	All claims for "Black Lung" benefits under Title 4, Part B, of the Federal Coal Mine Health and Safety Act of 1969. (30 U.S.C. 923)
863	DIWC	All claims filed by insured workers for disability insurance benefits under Title 2 of the Social Security Act, as amended; plus all claims filed for child's insurance benefits based on disability. (42 U.S.C. 405 (g))
863	DIWW	All claims filed for widows or widowers insurance benefits based on disability under Title 2 of the Social Security Act, as amended. (42 U.S.C. 405 (g))
864	SSID	All claims for supplemental security income payments based upon disability filed under Title 16 of the Social Security Act, as amended.
865	RSI	All claims for retirement (old age) and survivors benefits under Title 2 of the Social Security Act, as amended. (42 U.S.C. 405 (g))

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

Federal Trade Commission and the States of Arkansas; California; Colorado; Connecticut; Delaware; Florida; Georgia; Illinois; Indiana; Maryland; New York; North Carolina; Oklahoma; Oregon; South Carolina; Utah; Virginia; West Virginia; and Wisconsin, Plaintiffs, v. **Kars-R-Us.com, Inc.**, a corporation also doing business as Donate Car 2 Veterans and Donation2Charity.com;	Case No. **ATTACHMENT TO CIVIL COVER SHEET**

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.

ATTACHMENT TO CIVIL COVER SHEET

I.(a) Additional Plaintiffs

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VI. CAUSE OF ACTION (additional statutes)

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. § 6-16-111(1)(g); Colo. Rev. Stat. § 6-1-105(1)(hh)
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. § 460/9(c).
Indiana	IND. CODE §§ 23-7-8-7(a)(4); 24-5-0.5-3(b)(1).
Maryland	MD. CODE ANN., BUS. REG. §§ 6-607, 6-608, 6-610 (LexisNexis 2024).
New York	N.Y. Executive Law §§ 171-a through 175, and 63(12); N.Y. Gen. Bus. Law § 349.
North Carolina	N.C. GEN. STAT. §§ 75-1.1 *et. seq.*; N.C.G.S. 131F-20 (1), (9), (10), (15), (18); 131F-21
Oklahoma	OKLA. STAT. tit. 18 §§ 552.14a (West)

Oregon	OR. REV. STAT. §§128.886; 646.608(dd)
South Carolina	S.C. CODE ANN. § 33-56-120
Utah	UTAH CODE §§ 13-22-13(3), 13-11-4, 13-26-11(2)(b)
Virginia	VA. CODE ANN. § 57-57(L)
West Virginia	W. Va. Code § 46A-6-101 *et seq*.; W. Va. Code §§ 29-19-8, -13
Wisconsin	Wis. Stat. § 202.16(1)(a), (d), (k).

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

Federal Trade Commission and the States of Arkansas; California; Colorado; Connecticut; Delaware; Florida; Georgia; Illinois; Indiana; Maryland; New York; North Carolina; Oklahoma; Oregon; South Carolina; Utah; Virginia; West Virginia; and Wisconsin,

Plaintiffs,

v.

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 *Del. C.* § 2595(a) and 6 *Del. C.* § 2513(a).

Florida	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.
Indiana	IND. CODE §§ 23-7-8-1 through -9; and 24-5-0.5-1 through -12
Maryland	MD. CODE ANN., BUS. REG. §§ 6-101 through 6-701 (LexisNexis 2024).
New York	N.Y. Executive Law §§ 171-a through 175, and 63(12); N.Y. Gen. Bus. Law § 349
North Carolina	N.C. Gen. Stat. §§ 75-1.1 *et seq*.; N.C.G.S. 131F-20(1), (9), (10), (15), (18); 131F-21; 131F-23; 131F-24.
Oklahoma	OKLA. STAT. tit. 18 §§ 552.1 through 552.24 (West)
Oregon	OR. REV. STAT. §§128.801 through 128.898, 646.605 through 646.642, and 180.060(7)
South Carolina	S.C. CODE ANN. §§ 33-56-10 through 33-56-200.
Utah	UTAH CODE ANN. §§13-22-1 through 13-22-23; 13-26-1 through 13-26-11; and 13-11-1 through 13-11-23.
Virginia	VA. CODE ANN. §§ 57-48 through 57-69
West Virginia	W.Va. Code §§ 29-19-1, -15b; and W.Va. Code § 46A-1-101 through 46A-6-110
Wisconsin	WIS. STAT. §§ 202.01 through 202.18

Plaintiffs and Defendants stipulate to the entry of Stipulated Order For Permanent Injunction, Monetary Judgment, and Other Relief ("Order") to resolve all matters in dispute in this action between them.

THEREFORE, IT IS ORDERED as follows:

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.

C. "**Donor**" means any Person solicited to make, or who makes a Contribution.

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

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

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

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

H. "**Person**" means any individual, group, organization, unincorporated association, limited or general partnership, corporation, or other legal entity, including a Nonprofit Organization.

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

III. PROHIBITION AGAINST MISREPRESENTATIONS

(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, or advertising, marketing, promotion, offering for sale, selling, or distribution of any good or service, are permanently restrained and enjoined from misrepresenting, or assisting others in misrepresenting, expressly or by implication:

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

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

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

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

C. Any fact material to Donors' decisions concerning any good or 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;

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

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

E. That more than an incidental amount of the Contributions received by the Nonprofit Organization or other Person are spent on the programs or services described in the Fundraising Materials used by Defendants Frank and Kars-R-Us.com during the most recent fiscal or calendar year, including by reviewing a financial statement of the Nonprofit Organization or other Person for each year and accounting period during the past three calendar or fiscal years (or for the period of the organization's operation, if less than two years) or, if the Nonprofit or other Person has filed a Form 990 or other tax return with the Internal Revenue Service at any time during the past three calendar or fiscal years, by reviewing copies of each Form 990 or other tax return filed by or on behalf of the Nonprofit Organization or other Person during that time, *provided that*, if such programs or services will be or have been provided for the first time during the current calendar 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.

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

Provided further, the State Plaintiffs, except for the Colorado Attorney General's Office, agree that the Defendants' stipulating to this Order or entering into any other settlement agreement arising from the operative facts and conduct alleged in the Complaint and containing the same or similar injunctive prohibitions related to Fundraising shall not, separately or collectively, serve solely as the basis to enforce state statutory provisions that deny, suspend, revoke, or prohibit Defendants Kars-R-Us.com and Frank from Fundraising in their respective states. Defendants Kars-R-Us.com and Frank shall voluntarily withdraw their registrations in Colorado within 14 days of the entry of this Order for a period of not less than five years. The Colorado Attorney General's Office shall not take any administrative action against Defendants Kars-R-Us.com and Frank based on their voluntary withdrawal of their Colorado registrations as described above.

VI. DONOR INFORMATION

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, are permanently restrained and enjoined from, directly or indirectly, disclosing, using, or benefitting from any information about any Donor to United Breast Cancer Foundation solicited by Defendants, including the name, address, telephone number, email address, Social Security number, other identifying information, or any data that enables access to a Donor's account (including a credit card, bank account, or other financial account), that any Defendant obtained prior to entry of the Order;

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

1. for the limited and sole purpose of assisting prior donors to United Breast Cancer Foundation with any legal or tax issues pertaining to their donated vehicle; or

2. to the extent requested by a government agency or required by law, regulation, or court order.

VII. COOPERATION

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

VIII. MONETARY JUDGMENT

IT IS FURTHER ORDERED that:

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

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

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

D. The monies owed by Defendants and held in a client trust account by their undersigned counsel shall be transferred within ten (10) calendar days of entry of the Order to the Florida Escrow Fund, which shall hold this amount for no purpose other than future payment to one or more charities as a Contribution, unless otherwise ordered by this Court. This transfer shall be made by wire transfer, cashier's check, or other certified funds made payable to the "Florida Department of Legal Affairs Escrow Fund."

E. Upon completion of the payment described in Paragraph VIII.B, the remainder of the judgment is suspended as to all Defendants, subject to Paragraphs VIII.F and VIII.G.

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

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

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

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

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

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

H. If the suspension of the judgment is lifted, the judgment becomes immediately due as to that Defendant in the amount specified in Subsection A above, less any payment previously made pursuant to this Section, plus interest computed from the date of entry of this Order. Such payments shall be made by wire transfer, cashier's check, or other certified funds made payable to the "Florida Department of Legal Affairs Escrow Fund." If the Court has approved one or more charities to receive a Contribution pursuant to Paragraph VIII.I then any such payments shall be made to the approved charities.

I. The State Plaintiffs shall identify one or more charities to recommend to this Court as suitable to receive a Contribution. Within one hundred eighty (180) calendar days of entry of the Order, the State Plaintiffs shall submit to this Court a motion and proposed order recommending one or more recipients for the Contribution, the amount to be paid to any approved recipient, and the manner and timeframe for such payment. All monies paid by Defendants and held in the Florida Escrow Fund shall be distributed only as authorized and directed by this Court. Defendants shall have no right to challenge any recommendations regarding any Contribution or monetary distribution made by the State Plaintiffs.

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

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

IX. ADDITIONAL MONETARY PROVISIONS

IT IS FURTHER ORDERED that:

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

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

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

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

X. ORDER ACKNOWLEDGMENTS

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

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

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

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

XI. COMPLIANCE REPORTING

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

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

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

2. Additionally, each Individual Defendant must: (a) identify all telephone numbers and all physical, postal, email and Internet addresses, including all residences; (b) identify all business activities, including any business for which such Defendant performs services whether as an employee or otherwise and any entity in which such Defendant has any

ownership interest; and (c) describe in detail such Defendant's involvement in each such business, including title, role, responsibilities, participation, authority, control, and any ownership.

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

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

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

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

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

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.

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

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

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

XIV. STATE COURT ENFORCEMENT

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

XV. RETENTION OF JURISDICTION

IT IS FURTHER ORDERED that this Court retains jurisdiction of this matter for purposes of construction, modification, and enforcement of this Order.

SO STIPULATED AND AGREED:

FEDERAL TRADE COMMISSION

Elsie B. Kappler
Date: Sept. 25, 2025

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FOR THE STATE OF ARKANSAS:

Date: 09-11-2025

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Date: 9/12/25

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FOR THE STATE OF COLORADO

Date: 9/16/2025

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FOR THE STATE OF CONNECTICUT

______________________ Date: 9/11/2025

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FOR THE STATE OF DELAWARE

______________________________ Date: 9/12/2025

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Jenny Hinton Knutton Date: 9/11/25

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Date: September 11, 2025

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Josaphine B. Yuzuik Date: 9/15/2025

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Date: September 12, 2025

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FOR THE STATE OF NORTH CAROLINA

______________________________ Date:

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Date: 9/11/25

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Heather L. Weigler

Date: September 11, 2025

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______________________ Date: 9/15/2025

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周培燊 ______________________ Date: 09/11/2025

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FOR THE COMMONWEALTH OF VIRGINIA,
***EX REL.* JASON S. MIYARES,**
ATTORNEY GENERAL

______________________________ Date: September 11, 2025

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FOR THE STATE OF WEST VIRGINIA

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Date: 9/11/25

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FOR THE STATE OF WISCONSIN

Laura E. McFarlane Date: 9/23/25

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FOR DEFENDANTS:

Date: 9/11/25

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

DEFENDANT MICHAEL IRWIN

Date: 9/9/25

Michael Irwin, Individually

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

Lisa Frank

Date: 9/9/2025

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

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

Federal Trade Commission and the States of Arkansas; California; Colorado; Connecticut; Delaware; Florida; Georgia; Illinois; Indiana; Maryland; New York; North Carolina; Oklahoma; Oregon; South Carolina; Utah; Virginia; West Virginia; and Wisconsin, Plaintiffs, v. **Kars-R-Us.com, Inc.**, a corporation also doing business as Donate Car 2 Veterans and Donation2Charity.com; **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.	No. 2:25-cv-09150 **[Proposed]** **STIPULATED ORDER FOR PERMANENT INJUNCTION, MONETARY JUDGMENT, AND OTHER RELIEF**

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 *Del. C.* § 2595(a) and 6 *Del. C.* § 2513(a).
Florida	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.
Indiana	IND. CODE §§ 23-7-8-1 through -9; and 24-5-0.5-1 through -12
Maryland	MD. CODE ANN., BUS. REG. §§ 6-101 through 6-701 (LexisNexis 2024).

New York	N.Y. Executive Law §§ 171-a through 175, and 63(12); N.Y. Gen. Bus. Law § 349
North Carolina	N.C. Gen. Stat. §§ 75-1.1 *et seq.*; N.C.G.S. 131F-20(1), (9), (10), (15), (18); 131F-21; 131F-23; 131F-24.
Oklahoma	OKLA. STAT. tit. 18 §§ 552.1 through 552.24 (West)
Oregon	OR. REV. STAT. §§128.801 through 128.898, 646.605 through 646.642, and 180.060(7)
South Carolina	S.C. CODE ANN. §§ 33-56-10 through 33-56-200.
Utah	UTAH CODE ANN. §§13-22-1 through 13-22-23; 13-26-1 through 13-26-11; and 13-11-1 through 13-11-23.
Virginia	VA. CODE ANN. §§ 57-48 through 57-69
West Virginia	W.Va. Code §§ 29-19-1, -15b; and W.Va. Code § 46A-1-101 through 46A-6-110
Wisconsin	WIS. STAT. §§ 202.01 through 202.18

Plaintiffs and Defendants stipulate to the entry of Stipulated Order For Permanent Injunction, Monetary Judgment, and Other Relief ("Order") to resolve all matters in dispute in this action between them.

THEREFORE, IT IS ORDERED as follows:

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.

C. "**Donor**" means any Person solicited to make, or who makes a Contribution.

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

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

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

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

H. “**Person**” means any individual, group, organization, unincorporated association, limited or general partnership, corporation, or other legal entity, including a Nonprofit Organization.

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

III. PROHIBITION AGAINST MISREPRESENTATIONS

(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, or advertising, marketing, promotion, offering for sale, selling, or distribution of any good or service, are permanently restrained and enjoined from misrepresenting, or assisting others in misrepresenting, expressly or by implication:

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

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

1. Any services or activities that are the subject of the solicitation, such as cancer screening services; or
2. Any Person on whose behalf Defendants Frank and Kars-R-Us.com are Fundraising;

C. Any fact material to Donors' decisions concerning any good or 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;

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

D. That the Nonprofit Organization or other Person has provided the programs or services described in the Fundraising Materials used by Defendants Frank and Kars-R-Us.com for the Nonprofit Organization or other Person during the most recent fiscal or calendar year. If those programs or services were not described in the Nonprofit Organization's most recently filed Form 990 or other tax return with the Internal Revenue Service, substantiation shall be sufficient if the Nonprofit Organization or other Person provides to Defendants Frank and Kars-R-Us.com an attestation in writing to the accuracy of the statements in the

Fundraising Materials, supported by documentation such as the Nonprofit Organization or other Person's written plan or itemized budget for delivering these benefits during the current calendar or fiscal year.

E. That more than an incidental amount of the Contributions received by the Nonprofit Organization or other Person are spent on the programs or services described in the Fundraising Materials used by Defendants Frank and Kars-R-Us.com during the most recent fiscal or calendar year, including by reviewing a financial statement of the Nonprofit Organization or other Person for each year and accounting period during the past three calendar or fiscal years (or for the period of the organization's operation, if less than two years) or, if the Nonprofit or other Person has filed a Form 990 or other tax return with the Internal Revenue Service at any time during the past three calendar or fiscal years, by reviewing copies of each Form 990 or other tax return filed by or on behalf of the Nonprofit Organization or other Person during that time, *provided that*, if such programs or services will be or have been provided for the first time during the current calendar 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.
Indiana	IND. CODE §§ 23-7-8-1 through -9; and 24-5-0.5-1 through -12
Maryland	MD. CODE ANN., BUS. REG. §§ 6-101 through 6-701 (LexisNexis 2024).
New York	N.Y. Executive Law §§ 171-a through 175, and 63(12); N.Y. Gen. Bus. Law § 349.
North Carolina	N.C. Gen. Stat. §§ 75-14, 75-15.1, and 131F-1 to 131F-33
Oklahoma	OKLA. STAT. ANN. tit. 18 §§ 552.1 through 552.22 (West)
Oregon	OR. REV. STAT. §§128.886; and 646.605 through 646.636
South Carolina	S.C. CODE ANN. §§ 33-56-10 through 33-56-200.
Utah	UTAH CODE ANN. §§13-22-1 through 13-22-23; 13-26-1 through 13-26-11; and 13-11-1 through 13-11-23.
Virginia	VA. CODE ANN. §§ 57-48 through 57-69

West Virginia	W.Va. Code §§ 29-19-1, -15b; and W.Va. Code § 46A-1-101 through 46A-6-110
Wisconsin	WIS. STAT. §§ 202.01 through 202.18

Provided further, the State Plaintiffs, except for the Colorado Attorney General's Office, agree that the Defendants' stipulating to this Order or entering into any other settlement agreement arising from the operative facts and conduct alleged in the Complaint and containing the same or similar injunctive prohibitions related to Fundraising shall not, separately or collectively, serve solely as the basis to enforce state statutory provisions that deny, suspend, revoke, or prohibit Defendants Kars-R-Us.com and Frank from Fundraising in their respective states. Defendants Kars-R-Us.com and Frank shall voluntarily withdraw their registrations in Colorado within 14 days of the entry of this Order for a period of not less than five years. The Colorado Attorney General's Office shall not take any administrative action against Defendants Kars-R-Us.com and Frank based on their voluntary withdrawal of their Colorado registrations as described above.

VI. DONOR INFORMATION

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, are permanently restrained and enjoined from, directly or indirectly, disclosing, using, or benefitting from any information about any Donor to United Breast Cancer Foundation solicited by Defendants, including the name, address, telephone number, email address, Social Security number, other identifying information, or any data that enables access to a Donor's account (including a credit card, bank account, or other financial account), that any Defendant obtained prior to entry of the Order;

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

1. for the limited and sole purpose of assisting prior donors to United Breast Cancer Foundation with any legal or tax issues pertaining to their donated vehicle; or

2. to the extent requested by a government agency or required by law, regulation, or court order.

VII. COOPERATION

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

VIII. MONETARY JUDGMENT

IT IS FURTHER ORDERED that:

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

B. Defendants shall pay **Five Hundred Fifty Thousand Dollars ($550,000)**, of this sum within ten (10) calendar days of entry of the Order. This sum will be paid to one or more charities whose mission or purpose is consistent with the purported mission or purpose of United Breast Cancer Foundation as a

Contribution as set forth below, following subsequent motion by the State Plaintiffs and order of this Court.

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

D. The monies owed by Defendants and held in a client trust account by their undersigned counsel shall be transferred within ten (10) calendar days of entry of the Order to the Florida Escrow Fund, which shall hold this amount for no purpose other than future payment to one or more charities as a Contribution, unless otherwise ordered by this Court. This transfer shall be made by wire transfer, cashier's check, or other certified funds made payable to the "Florida Department of Legal Affairs Escrow Fund."

E. Upon completion of the payment described in Paragraph VIII.B, the remainder of the judgment is suspended as to all Defendants, subject to Paragraphs VIII.F and VIII.G.

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

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

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

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

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

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

H. If the suspension of the judgment is lifted, the judgment becomes immediately due as to that Defendant in the amount specified in Subsection A above, less any payment previously made pursuant to this Section, plus interest computed from the date of entry of this Order. Such payments shall be made by wire transfer, cashier's check, or other certified funds made payable to the "Florida Department of Legal Affairs Escrow Fund." If the Court has approved one or more charities to receive a Contribution pursuant to Paragraph VIII.I then any such payments shall be made to the approved charities.

I. The State Plaintiffs shall identify one or more charities to recommend to this Court as suitable to receive a Contribution. Within one hundred eighty (180) calendar days of entry of the Order, the State Plaintiffs shall submit to this Court a motion and proposed order recommending one or more recipients for the Contribution, the amount to be paid to any approved recipient, and the manner and timeframe for such payment. All monies paid by Defendants and held in the Florida Escrow Fund shall be distributed only as authorized and directed by this Court. Defendants shall have no right to challenge any recommendations regarding any Contribution or monetary distribution made by the State Plaintiffs.

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

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

IX. ADDITIONAL MONETARY PROVISIONS

IT IS FURTHER ORDERED that:

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

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

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

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

X. ORDER ACKNOWLEDGMENTS

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

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

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

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

XI. COMPLIANCE REPORTING

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

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

1. Each Defendant must: (a) identify the primary physical, postal, and email address and telephone number, as designated points of contact, which representatives of the Commission and State Plaintiffs may use to communicate with Defendant; (b) identify all of that Defendant's businesses by all of their names, telephone numbers, and physical, postal, email, and

Internet addresses; (c) describe the activities of each business, including the goods and services advertised, marketed, promoted, offered, sold, or distributed, and the involvement of any Defendant (which Defendants must describe if they know or should know due to their own involvement); (d) describe in detail whether and how that Defendant is in compliance with each Section of this Order; and (e) provide a copy of each Order Acknowledgment obtained pursuant to this Order, unless previously submitted to the Commission.

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

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

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

2. Additionally, each Individual Defendant must report any change in: (a) name, including aliases or fictitious name, or residence

address; or (b) title or role in any business activity, including any business for which such Defendant performs services whether as an employee or otherwise and any entity in which such Defendant has any ownership interest, and identify the name, physical address, and any Internet address of the business or entity.

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

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

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

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

D. Upon written request from a representative of any Plaintiff, any consumer reporting agency must furnish consumer reports concerning Individual

Defendants, pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C. §1681b(a)(1).

XIV. STATE COURT ENFORCEMENT

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

XV. RETENTION OF JURISDICTION

IT IS FURTHER ORDERED that this Court retains jurisdiction of this matter for purposes of construction, modification, and enforcement of this Order.

SO ORDERED this ___ day of _______________, 202__.

____

UNITED STATES DISTRICT JUDGE