

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

In the Matter of)	
)	
)	No. 2323004
December 21, 2022 Civil Investigative Demand)	
Issued to ACIA17 Automotive Inc. and ACIA)	
ACQ Corp.)	

**ACIA17 AUTOMOTIVE INC. AND ACIA ACQ CORP.’S
PETITION TO MODIFY, LIMIT OR QUASH CIVIL INVESTIGATIVE DEMAND**

Petitioners, ACIA17 Automotive Inc. and ACIA ACQ Corp. (collectively, “ACIA” or the “Company”), by and through undersigned counsel, pursuant to 16 C.F.R. § 2.10, respectfully petition the Federal Trade Commission (“FTC”) to: (a) extend the deadline for 30 days to file, if necessary, a more detailed petition to limit or quash the FTC’s Civil Investigative Demand served on ACIA (the “CID,” Exhibit 1); or (b), in the alternative, for the reasons stated below, quash or limit the CID.

I. INTRODUCTION

Despite serving the extensive CID on December 27, 2022 with more than 230 unique requests for information and documents, the FTC has refused ACIA’s request for a brief extension to allow ACIA to work through any objections to the CID with the FTC and then, if at an impasse, file a petition to limit or quash the CID. Under 16 C.F.R. § 2.10, a petition would be due on Tuesday, January 17, 2023¹. On the very day the CID was served, December 27, 2022, ACIA’s lead outside U.S. counsel, Ira M. Levin, who at the time was out of town on a family vacation until January 9, 2023, contacted counsel for the FTC to advise the FTC of his schedule, and scheduled a meet and confer with the FTC for January 10, 2023.

¹ The 20-day period would fall on January 16, 2023, which is a national holiday, making the due date January 17, 2023.

On January 10, 2023, counsel for ACIA met with counsel for the FTC via Microsoft Teams. Counsel for ACIA then also informed FTC counsel that Joshua Cauhorn, one of the attorneys who will be responsible for handling ACIA's response to the CID, was on paternity leave from January 1 through January 16, 2023. During the January 10, 2023 meet and confer, which lasted approximately an hour, counsel for ACIA asked a number of clarifying questions regarding the CID, suggested several changes in scope to the CID and advised the FTC that it would have to further confer with its client.

On January 12, 2023, counsel for ACIA requested that the FTC agree to extend for two weeks the date by which ACIA had to file any petition to quash or limit the CID to permit ACIA to meet with its client, further meet and confer with the FTC, and hopefully come to agreement where possible on limiting the scope of the CID. On January 13, 2023, counsel for the FTC sent an email denying the request. (Exhibit 2). ACIA submits that the FTC's position is unreasonable, especially given the fact that Mr. Levin and Mr. Cauhorn were both out of the office for the vast majority of the 20-day period which ACIA had to file the instant Petition and for the reasons stated below.

II. BACKGROUND

AutoCanada operates ten automobile dealerships in the United States, all located in Illinois: ACIA Motors LLC d/b/a Bloomington-Normal Auto Mall; ACIA KL Auto LLC d/b/a Kia of Lincolnwood; ACIA HN Auto LLC d/b/a Hyundai of Lincolnwood; ACIA PH Auto LLC d/b/a Hyundai of Palatine; ACIA CH Auto LLC d/b/a North City Honda; ACIA PG Auto LLC d/b/a Chevrolet of Palatine; ACIA TN Auto LLC d/b/a Toyota of Lincolnwood; ACIA TC Auto LLC, d/b/a Toyota of Lincoln Park; ACIA P LLC d/b/a Autohaus of Peoria; and ACIA CL LLC d/b/a

Crystal Lake Chrysler Dodge Jeep Ram. In the past two years alone, the ACIA Dealerships have sold more than 30,000 new and used automobiles.

On December 27, 2022, ACIA received the CID containing 25² interrogatories (72 interrogatories including subparts), 17 document requests (19 document requests including subparts), and 2 “data requests,” containing 54 and 85 subparts, respectively. (Exhibit 1.) In total, the FTC’s CID contains **230** separate requests for information and records.

Upon the undersigned counsel’s return from a family vacation on January 10, 2023, counsel for ACIA and the FTC conducted an initial meet and confer conference regarding the CID. On that call, while they represented that ACIA intended to comply with the FTC’s requests in the CID to the extent reasonable, the undersigned counsel requested that the FTC narrow the scope of the CID as several requests appear to be overbroad and unduly burdensome, such that responding to such requests would disrupt the business of ACIA. Specifically:

- The period that applies to all but one of the FTC’s requests (April 1, 2018 through the date of compliance), creates an undue burden on the Company. For example, Interrogatory No. 9 demands that the company calculate the average and median cost to the ACIA Dealerships of: (1) preparing a used vehicle for sale, (2) conducting a pre-delivery inspection, (3) reconditioning a vehicle, and (4) obtaining a manufacturer certification. Document Request No. 8 requests all documents which substantiate that calculation. Responding to these requests would require someone to examine service records for more than 35,000 used vehicles sold over the course of five years and calculate the above figures.
- As set forth above, ACIA sells more than 15,000 vehicles per year, meaning that the FTC’s request for a complete copy of every deal jacket between January 1, 2021 and the date of compliance with the CID requests hundreds of thousands, if not a million or more, pages of records. Perhaps recognizing this, the FTC, in the CID, requested ACIA “[p]lease confer with the FTC counsel before responding if the number of responsive transactions would exceed 500,” which ACIA attempted to do during the January 10, 2023 conference in order to limit documents to be gathered and produced to a reasonable level.
- Interrogatory Nos. 2 and 3, which requests a variety of information regarding current and former employees over the past five years, many of whom would have no relevant

² Although the final interrogatory is labeled “21,” it appears there was an error in the numbering of the interrogatories and there are two interrogatories each with the numbers 15, 16, 17, and 18. (*See Exhibit 1*, pp. 4-5.)

knowledge regarding the subject of the investigation. Gathering the requested information would require someone to look through hundreds of individual personnel files. Moreover, the FTC contacting ACIA's current and former employees, which they have already started to do, is highly disruptive to the Company's business.

On January 12, 2023, counsel for ACIA requested that the FTC agree to extend the date by which ACIA must petition the FTC to quash or limit the CID to permit the FTC and ACIA time to meet and confer and come to agreement where possible on limiting the scope of the CID. On January 13, 2023, counsel for the FTC denied the request. (Exhibit 2.)

Moreover, while counsel for the FTC and ACIA expressed a desire and intent to come to agreement on ACIA's other concerns, the FTC would not be able to provide confirmation of any agreement to limit the CID within the time period ACIA would need to file a petition to quash or limit the CID. Accordingly, to preserve and not waive its ability to petition to quash or limit the CID under 16 C.F.R. § 2.10(a)(1), ACIA petitions the FTC to extend the time it may petition the FTC to quash or limit the CID in the instance it cannot come to agreement on the scope of the CID. Should the FTC decline to provide an extension, ACIA petitions, in the alternative, for an order quashing or limiting the CID.

III. ARGUMENT

A. Request for Extension

Petitions to quash or limit a CID must be filed within 20 days of service. 16 C.F.R. § 2.10(a)(1). Courts have held that if the subject of a CID fails to file such a petition, it has effectively waived its right to challenge the CID, *e.g.*, *FTC v. Complete Merch. Sols., LLC*, No. 2:19-cv-00996-HCN-EJF, 2020 U.S. Dist. LEXIS 75540, at *23–*24 (D. Utah Apr. 28, 2020); *FTC v. Tracers Info. Specialists, Inc.*, No. 8:16-MC-18TGW, 2016 U.S. Dist. LEXIS 96048, at *11 (M.D. Fla. Jun. 10, 2016), thus making it paramount that the subject of a CID preserve all rights to petition to limit or quash when deadlines may pass during unresolved meet and confer conversations. The

FTC may extend the deadline to petition to limit or quash the CID while the FTC and the subject work to resolve any potential objections to the CID. *See* 16 C.F.R. § 2.10(a)(5).

Here, as set forth above, counsel for ACIA were unavailable for most of the 20-day period in which ACIA had to file a Petition to Limit or Quash the CID. While it appears ACIA and the FTC will be able to resolve the majority, if not all, of ACIA's concerns by narrowing the scope of and clarifying the CID, the parties would not be able to do so by January 17, 2023 — the date by which ACIA must petition under 16 C.F.R. § 2.10(a)(1) to quash or limit the CID in the instance ACIA and the FTC cannot agree. On January 12, 2023, ACIA requested that the FTC agree to a reasonable extension of time in which ACIA could file such a petition if necessary, but the FTC represented that it could not do so. (Exhibit 2.)

ACIA's request is not brought to delay this matter. It anticipates being able to make the first in a rolling production of information and/or documents by the initial return date in the CID of January 20, 2023. After working to discern potential production timelines from ACIA's vendors and regarding preparation of documents, ACIA intends to propose to the FTC a reasonable timeline for production on an agreed scope of documents and information.

Yet, because ACIA cannot reasonably work through all potential issues as to the tens of thousands of transactions for which the FTC seeks documentation and information by January 17, 2023, and certainly cannot come to agreement with the FTC on such issues by that date, ACIA respectfully seeks a 30-day extension in the date it must file a petition to quash or limit the CID, to and until February 15, 2023.

B. In the Alternative, Petition to Limit or Quash

1. The CID Was Not Properly Served and Should Therefore Be Quashed

The CID was directed only to ACIA17 Automotive Inc. and ACIA ACQ Corp., neither of which are automobile dealerships. During the parties' January 10, 2023 meet and confer conference, counsel for ACIA inquired about the scope of the CID and learned for the first time that the interrogatories, document requests, and data requests set forth in the CID were intended to be directed to the ten (10) automobile dealerships operated through AutoCanada Holdings Inc. ("AutoCanada") in the United States, namely: ACIA Motors LLC, ACIA KL Auto LLC, ACIA HN Auto LLC, ACIA PH Auto LLC, ACIA CH Auto LLC, ACIA PG Auto LLC, ACIA TN Auto LLC, ACIA TC Auto LLC, ACIA P LLC, and ACIA CL LLC (collectively, the "ACIA Dealerships"). The CID, however, did not reference any of the individual ACIA Dealerships, all of which are separate and distinct legal entities. Accordingly, the CID was not properly served on those entities. Nevertheless, after clarifying the additional parties the FTC was seeking records and information from, ACIA was willing to work with the FTC to include the other entities as responsive parties. However, ACIA requested time to continue to work through the issues in light of the extensive nature of the CID and the number of dealerships involved.

Accordingly, given the FTC's refusal to cooperate regarding the requested extension, ACIA moves to quash the subpoena on the grounds that it fails to have been served and directed at the proper parties.

2. The CID is Objectionably Overbroad and Should Therefore be Quashed or Limited

As set forth above, the initial review of the CID by ACIA reflects various issues and objections with the production of the information requested. While an agency may issue a CID to investigate a potential violation of the law, its power has limits. "It is contrary to the first principles

of justice to allow a search through all the respondent's records, relevant or irrelevant, in the hope that something will turn up." *FTC v. Am. Tobacco Co.*, 264 U.S. 306 (1924). Thus, an agency's CID should not be enforced if the demand is not "within the authority of the agency," is "too indefinite," or is "not reasonably relevant to the inquiry." *U.S. v. Morton Salt Co.*, 338 U.S. 632, 652 (1950). "The gist of the protection is in the requirement. . . that the disclosure sought shall not be unreasonable. Correspondingly, the need for moderation in the subpoena's call is a matter of reasonableness." *SEC v. Arthur Young & Co.*, 584 F.2d 1018, 1030 (D.C. Cir. 1978). "[R]easonableness . . . comes down to specification of the documents to be produced adequate, but not excessive, for the purposes of the relevant inquiry." *Id.* An administrative subpoena may be also be deemed unduly burdensome if "compliance threaten[s] to unduly disrupt or seriously hinder normal operations." *Dow Chemical Co. v. Allen*, 672 F.2d 1262, 1274 (7th Cir. 1982) (citing *FTC v. Texaco, Inc.*, 555 F.2d 862, 882 (D.C. Cir. 1977)).

Here, the CID contains 25 interrogatories (72 interrogatories including subparts), 17 document requests (19 document requests including subparts), and 2 "data requests," containing 54 and 85 subparts, respectively. The requests span a period of five (5) years and tens of thousands of vehicle transactions, with each transaction involving a materially significant amount of documentation. It further requires the production of documents in a technical format requiring ACIA to engage a third-party discovery vendor to process and prepare the information. (*See Exhibit 1*, pp. 8, A1-A2.) These requests are excessive and threaten to unduly disrupt or seriously hinder ACIA's business operations.

Accordingly, should the FTC refuse to grant ACIA's requested extension to file a petition to quash or limit, ACIA petitions, in the alternative, for an order quashing the CID or limiting the requests in the CID to the calendar years 2021 and 2022.

CERTIFICATION OF GOOD FAITH CONFERENCE

Pursuant to 16 C.F.R. § 2.7(d)(2), on January 10, 2023 at 4:00 p.m. Central Time, counsel for Petitioners, ACIA17 Automotive Inc. and ACIA ACQ Corp., Ira M. Levin, Esq. and Elizabeth M. Pall, Esq., conferred via Teams teleconference with counsel for the Federal Trade Commission, James Davis, Esq. and Samantha Denny, Esq., and subsequently via email on January 12 and 13, 2023, in a good faith effort to resolve the issues raised by the instant petition. Counsel for the Petitioner and the Federal Trade Commission were unable to reach a formal agreement prior to the deadline to file the instant petition provided by 16 C.F.R. § 2.10(a)(1).

/s/ Ira M. Levin

Ira M. Levin, Esq.
One of the Attorneys for Petitioners

PROOF OF SERVICE

I hereby certify that, on January 16, 2023, an electronic copy in Adobe portable document format of the foregoing and the exhibits thereto were served via electronic mail upon the following:

Office of the Secretary
Federal Trade Commission
600 Pennsylvania Avenue, NW
Suite CC-5610
Washington, D.C. 20580
electronicfilings@ftc.gov

James Davis, Esq. (jdavis@ftc.gov)
Samantha Denny, Esq. (sdenny@ftc.gov)
Federal Trade Commission
230 South Dearborn Street, Suite 3030
Chicago, IL 60604

/s/ Ira M. Levin
Ira M. Levin, Esq.
One of the Attorneys for Petitioners

I further certify that, on January 17, 2023³, an original and twelve paper copies of the foregoing and the exhibits thereto were served by first-class U.S. Mail, postage prepaid, upon the following:

Office of the Secretary
Federal Trade Commission
600 Pennsylvania Avenue, NW
Suite CC-5610
Washington, D.C. 20580

James Davis, Esq.
Samantha Denny, Esq.
Federal Trade Commission
230 South Dearborn Street, Suite 3030
Chicago, IL 60604

/s/
Ira M. Levin, Esq.
One of the Attorneys for Petitioners

³ January 16, 2023 is a national holiday and hard copies could not be mailed until the following day, January 17, 2023.

EXHIBIT 1



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

Office of the Secretary

December 21, 2022

Via FedEx

ACIA17 Automotive, Inc. and ACIA ACQ Corp.
d/b/a Leader Automotive Group
Attn: James Douvas, Vice President of U.S. Operations
1561 N. Fremont St., 2nd. Floor
Chicago, IL 60642

FTC Matter No. 2323004

Dear Mr. Douvas:

The Federal Trade Commission (“FTC”) has issued the attached Civil Investigative Demand (“CID”) asking for information as part of a non-public investigation. Our purpose is to determine whether the Company, as defined herein, has made false or deceptive representations, or engaged in unfair conduct in violation of the FTC Act, 15 U.S.C. § 45, or has discriminated on a prohibited basis in violation of the Equal Credit Opportunity Act, 15 U.S.C. § 1691 *et seq.*, resulting in higher vehicle sale prices, periodic payments, or Add-on charges, and whether Commission action to obtain monetary relief would be in the public interest. Please read the attached documents carefully. Here are a few important points we would like to highlight:

1. **Contact FTC counsel, James Davis (202-312-960-5596, jdavis@ftc.gov), as soon as possible to schedule a telephone call to be held within 7 days.** During that telephone call, FTC counsel can address any questions or concerns you have regarding this CID, including whether there are changes to how you comply with the CID that would reduce your cost or burden while still giving the FTC the information it needs. Please read the attached documents for more information about that meeting.
2. **You must immediately stop any routine procedures for electronic or paper document destruction, and you must preserve all paper or electronic documents** that are in any way relevant to this investigation, even if you believe the documents are protected from discovery by privilege or some other reason.
3. **The FTC will use information you provide in response to the CID for the purpose of investigating violations of the laws the FTC enforces.** We will not disclose the information under the Freedom of Information Act, 5 U.S.C. § 552. We may disclose the information in response to a valid request from Congress, or to other civil or criminal law enforcement agencies for their official law enforcement purposes. The FTC or other agencies may use and disclose your response in any civil

or criminal proceeding, or if required to do so by law. However, we will not publicly disclose your information without giving you prior notice.

4. **Please read the attached documents closely.** They contain important information about how you should provide your response.

Please contact FTC counsel as soon as possible to set up an initial meeting. We appreciate your cooperation.

Very truly yours,

A handwritten signature in blue ink, appearing to read "April J. Tabor", with a stylized flourish extending to the right.

April J. Tabor
Secretary



CIVIL INVESTIGATIVE DEMAND

1. TO ACIA17 Automotive, Inc. and ACIA ACQ Corp. d/b/a Leader Automotive Group Attn: Mr. James Douvas, Vice President of U.S. Operations 1561 N. Fremont St., 2nd Floor Chicago, IL 60642	1a. MATTER NUMBER 2323004
---	----------------------------------

This demand is issued pursuant to Section 20 of the Federal Trade Commission Act, 15 U.S.C. § 57b-1, in the course of an investigation to determine whether there is, has been, or may be a violation of any laws administered by the Federal Trade Commission by conduct, activities or proposed action as described in Item 3.

2. ACTION REQUIRED <input type="checkbox"/> You are required to appear and testify.	
LOCATION OF HEARING	YOUR APPEARANCE WILL BE BEFORE DATE AND TIME OF HEARING OR DEPOSITION

- You are required to produce all documents described in the attached schedule that are in your possession, custody, or control, and to make them available at your address indicated above for inspection and copying or reproduction at the date and time specified below.
- You are required to answer the interrogatories or provide the written report described on the attached schedule. Answer each interrogatory or report separately and fully in writing. Submit your answers or report to the Records Custodian named in Item 4 on or before the date specified below.
- You are required to produce the tangible things described on the attached schedule. Produce such things to the Records Custodian named in Item 4 on or before the date specified below.

DATE AND TIME THE DOCUMENTS, ANSWERS TO INTERROGATORIES, REPORTS, AND/OR TANGIBLE THINGS MUST BE AVAILABLE
January 20, 2023 by 5pm ET

3. SUBJECT OF INVESTIGATION See attached schedule and resolutions.

4. RECORDS CUSTODIAN/DEPUTY RECORDS CUSTODIAN Todd M. Kossow (Regional Director) Christine Carson (Deputy) Federal Trade Commission, Midwest Region 230 S. Dearborn St, Suite 3030, Chicago, IL 60604	5. COMMISSION COUNSEL James Davis (jdavis@ftc.gov; 312-960-5596) Federal Trade Commission, Midwest Region 230 S. Dearborn St, Suite 3030, Chicago IL 60604
---	---

DATE ISSUED 12/21/2022	COMMISSIONER'S SIGNATURE 
---------------------------	---

INSTRUCTIONS AND NOTICES

The delivery of this demand to you by any method prescribed by the Commission's Rules of Practice is legal service and may subject you to a penalty imposed by law for failure to comply. The production of documents or the submission of answers and report in response to this demand must be made under a sworn certificate, in the form printed on the second page of this demand, by the person to whom this demand is directed or, if not a natural person, by a person or persons having knowledge of the facts and circumstances of such production or responsible for answering each interrogatory or report question. This demand does not require approval by OMB under the Paperwork Reduction Act of 1980.

PETITION TO LIMIT OR QUASH

The Commission's Rules of Practice require that any petition to limit or quash this demand be filed within 20 days after service, or, if the return date is less than 20 days after service, prior to the return date. The original and twelve copies of the petition must be filed with the Secretary of the Federal Trade Commission, and one copy should be sent to the Commission Counsel named in Item 5.

YOUR RIGHTS TO REGULATORY ENFORCEMENT FAIRNESS

The FTC has a longstanding commitment to a fair regulatory enforcement environment. If you are a small business (under Small Business Administration standards), you have a right to contact the Small Business Administration's National Ombudsman at 1-888-REGFAIR (1-888-734-3247) or www.sba.gov/ombudsman regarding the fairness of the compliance and enforcement activities of the agency. You should understand, however, that the National Ombudsman cannot change, stop, or delay a federal agency enforcement action.

The FTC strictly forbids retaliatory acts by its employees, and you will not be penalized for expressing a concern about these activities.

TRAVEL EXPENSES

Use the enclosed travel voucher to claim compensation to which you are entitled as a witness for the Commission. The completed travel voucher and this demand should be presented to Commission Counsel for payment. If you are permanently or temporarily living somewhere other than the address on this demand and it would require excessive travel for you to appear, you must get prior approval from Commission Counsel.

A copy of the Commission's Rules of Practice is available online at <http://bit.ly/FTCSRulesofPractice>. Paper copies are available upon request.

Form of Certificate of Compliance*

I/We do certify that all of the documents, information and tangible things required by the attached Civil Investigative Demand which are in the possession, custody, control, or knowledge of the person to whom the demand is directed have been submitted to a custodian named herein.

If a document or tangible thing responsive to this Civil Investigative Demand has not been submitted, the objections to its submission and the reasons for the objection have been stated.

If an interrogatory or a portion of the request has not been fully answered or a portion of the report has not been completed, the objections to its submission and the reasons for the objections have been stated.

Signature _____

Title _____

Sworn to before me this day

Notary Public

*In the event that more than one person is responsible for complying with this demand, the certificate shall identify the documents for which each certifying individual was responsible. In place of a sworn statement, the above certificate of compliance may be supported by an unsworn declaration as provided for by 28 U.S.C. § 1746.

**FEDERAL TRADE COMMISSION (“FTC”)
CIVIL INVESTIGATIVE DEMAND (“CID”) SCHEDULE
FTC File No. 2323004**

Meet and Confer: You must contact **FTC counsel James Davis (312-960-5596; jdavis@ftc.gov)**, as soon as possible to schedule a telephonic meeting to be held within fourteen (14) days after You receive this CID. At the meeting, You must discuss with FTC counsel any questions You have regarding this CID or any possible CID modifications that could reduce Your cost, burden, or response time yet still provide the FTC with the information it needs to pursue its investigation. The meeting also will address how to assert any claims of protected status (e.g., privilege, work-product, etc.) and the production of electronically stored information. You must make available at the meeting personnel knowledgeable about Your information or records management systems, Your systems for electronically stored information, custodians likely to have information responsive to this CID, and any other issues relevant to compliance with this CID.

Document Retention: You must retain all documentary materials used in preparing responses to this CID. The FTC may require the submission of additional Documents later during this investigation. **Accordingly, You must suspend any routine procedures for Document destruction and take other measures to prevent the destruction of Documents in Your possession, custody, or control** that are in any way relevant to this investigation, even if those Documents are being retained by a third-party or You believe those Documents are protected from discovery. *See* 15 U.S.C. § 50; *see also* 18 U.S.C. §§ 1505, 1519.

Sharing of Information: The FTC will use information You provide in response to the CID for the purpose of investigating violations of the laws the FTC enforces. We will not disclose such information under the Freedom of Information Act, 5 U.S.C. § 552. We also will not disclose such information, except as allowed under the FTC Act (15 U.S.C. § 57b-2), the Commission’s Rules of Practice (16 C.F.R. §§ 4.10 & 4.11), or if required by a legal obligation. Under the FTC Act, we may provide Your information in response to a request from Congress or a proper request from another law enforcement agency. However, we will not publicly disclose such information without giving You prior notice.

Manner of Production: Contact Christine Carson (ccarson@ftc.gov; 312-960-5594) by email or telephone at least five days before the return date for instructions on how to produce information responsive to this CID.

Certification of Compliance: You or any person with knowledge of the facts and circumstances relating to the responses to this CID must certify that such responses are complete by signing the “Certification of Compliance” attached to this CID.

Certification of Records of Regularly Conducted Activity: Attached is a Certification of Records of Regularly Conducted Activity. Please execute and return this Certification with Your response. Completing this certification may reduce the need to subpoena You to testify at future proceedings to establish the admissibility of Documents produced in response to this CID.

Definitions and Instructions: Please carefully review the Definitions and Instructions that appear after the Specifications and provide important information regarding compliance with this CID.

I. SUBJECT OF INVESTIGATION

Whether the Company, as defined herein, has made false or deceptive representations, or engaged in unfair conduct in violation of the FTC Act, 15 U.S.C. § 45, or has discriminated on a prohibited basis in violation of the Equal Credit Opportunity Act, 15 U.S.C. § 1691 *et seq.*, resulting in higher vehicle sale prices, periodic payments, or Add-on charges, and whether Commission action to obtain monetary relief would be in the public interest. See also attached resolutions.

II. SPECIFICATIONS

Applicable Time Period: Unless otherwise directed, the applicable time period for the requests set forth below is **from April 1, 2018 until the date of full and complete compliance with this CID.**

A. INTERROGATORIES

1. State the following information for the Company:
 - a. Its full legal name and all other names under which it has done business;
 - b. The mailing address, street address, and telephone number of its headquarters;
 - c. The date and state(s) in which it is incorporated;
 - d. The names and titles of all its officers, directors, principal stockholders and owners;
 - e. The names and percentages of ownership of all persons holding five percent or more ownership in it;
 - f. The names, addresses, officers, directors, owners, and states of incorporation of any parent, subsidiary, affiliate company, or division and the relationship of each to the Company; and
 - g. The names and addresses of all dealerships operated by the Company in the United States.
2. Identify all current or former managers, supervisors, and employees responsible for designing, implementing, modifying, training, or ensuring compliance with the Company's policies and procedures, stating, for each such individual:
 - a. Date hired;
 - b. Date and reason employment ended, if any;
 - c. Which dealership(s) the person was employed by;
 - d. Contact information; and
 - e. Title(s) and description of position(s) held at the Company.
3. Identify each person (not previously identified in response to Interrogatory 2) currently or formerly employed by the Company with any responsibility relating to

the sale of motor vehicles, financing, customer service, complaint handling or resolution, or compliance, including the person's:

- a. Date hired;
- b. Date and reason employment ended, if any;
- c. Which dealership(s) the person was employed by;
- d. Contact information; and
- e. Title(s) and description of position(s) held at the Company.

Please confer with the FTC counsel before responding to this interrogatory if the number of responsive employees would exceed 250.

4. Identify each financial institution used to obtain financing for consumers to purchase motor vehicles from You and, for each financial institution, the percentage of the Company's sales financed by that institution.
5. State whether, and to what extent, the Company bears any risk in any vehicle sale financed by a third-party financial institution after the consumer takes possession.
6. Identify payment processors used for the Company's payroll.
7. State whether the Company offers vehicle financing to consumers, including on an initial basis, regardless of whether the loans are later sold.
8. Describe the process of preparing a used vehicle for sale, including reconditioning the vehicle and obtaining manufacturer certification.
9. For each of the Company's dealerships, state the average and median cost to the dealership, and the range of costs to the dealership, of each of the following:
 - a. Preparing a used vehicle for sale;
 - b. Conducting a pre-delivery inspection;
 - c. Reconditioning a vehicle; and
 - d. Obtaining manufacturer certification.
10. For each of the Company's dealerships, state whether the advertised sales prices for Your used and certified used vehicles includes each of the following:
 - a. The cost of preparing a used vehicle for sale;
 - b. The cost of any pre-delivery inspection;
 - c. The cost of reconditioning the vehicle; and
 - d. The cost of obtaining manufacturer certification.
11. Identify each registered importer (including its registered importer number) as well as any third party utilized by the Company to buy, transfer, or import used cars from outside the United States for the purpose reselling such cars to consumers at Your U.S. dealerships.
12. Identify all types of Add-ons sold, or offered for sale by the Company, and state for each:

- a. Its function or purpose;
 - b. Its cost or approximate cost to the Company;
 - c. Its cost or approximate cost to consumers;
 - d. Whether it is mandatory;
 - e. Whether it is mandatory to obtain financing;
 - f. Whether it may be purchased individually or must be purchased in a bundle with other Add-ons;
 - g. Whether it is cancellable with a full or partial refund within a set period of time; and
 - h. Whether it is cancellable with a full or partial refund at any time before it is fully paid.
13. Identify each provider of Add-ons sold, or offered for sale by the Company, and state for each:
- a. The Add-on name;
 - b. The number of Add-ons sold, on a monthly basis;
 - c. The compensation (or range of compensation) offered to You or Your employees for each type of Add-on sold;
 - d. The aggregate amount paid by Your consumers for Add-ons, on an annual basis;
 - e. The compensation Your employees received in connection with the sale of Add-ons, on an annual basis; and
 - f. The compensation the Company received in connection with the sale of Add-ons, on an annual basis.
14. Describe in detail all methods that the Company has used to solicit, procure, or otherwise obtain customer reviews of the Company or any of its U.S. dealerships.
15. Identify each person, company, website, or other entity that the Company has paid to provide or create customer reviews of the Company or any of its dealerships and, for each provider, describe in detail work performed on behalf of the Company, including:
- a. The number of reviews created;
 - b. How much You paid;
 - c. The platform or website on which the reviews appeared; and
 - d. The methods You used to communicate with the provider.
16. Does the Company condition the award or payment of any bonus, spiff, incentive, or compensation on an employee's willingness to post a customer review on Google, Dealer Rater, or similar platform? If yes, describe the relevant policy in detail.
17. Describe in detail any Company policies regarding employees, their families, or acquaintances posting written reviews of the Company or any of its dealerships online.
18. For each of the Company's dealerships, state the following on an aggregate, annual basis and by new and used motor vehicles sold or leased:

- a. Number of vehicles sold;
 - b. Total cost of vehicles sold;
 - c. Revenue from vehicle sales;
 - d. Number of vehicles for which the Company offered to provide or arrange financing;
 - e. Number of vehicle leases;
 - f. Total cost of vehicles leased;
 - g. Total number of used vehicles imported from outside the United States for sale at one of Your dealerships identified above in Interrogatory 1(g); and
 - h. Revenue from vehicle leases.
15. Identify and describe the Company's databases and systems, both internal and external, that contain contact and transaction information regarding the Company's current and former customers. This request includes, without limitation, any customer relationship management system, dealer management system, desking tool, or similar system. Identify the types of data collected in these systems and describe the reports they are capable of generating.
 16. List any federal, state, or local law enforcement or governmental actions, citations, demands, inquiries, investigations, proceedings, or subpoenas, and any arbitrations, mediations, or lawsuits, or private lawsuits, involving You and relating to the sale of a motor vehicle, or financing, including (a) the identity of the law enforcement or governmental entity, if applicable; (b) the nature of the action; (c) the name, number, jurisdiction, and any other identifying information about the action, if applicable; (d) the parties involved; and (e) the status of the action, including the date and resolution of the action, if applicable.
 17. Describe the services that the Company provides to the dealerships it operates, including any financing, accounting, information technology, marketing, customer service, complaint handling or resolution, compliance, or legal services.
 18. List any employees of the Company who provide or have provided services to one or more of the Company's dealerships, the dealerships to which they provide or have provided services, and the nature of the services provided.
 19. Describe in detail any Company policies and procedures regarding the handling, storage, copying, and contents of deal packets. Identify all Documents that are required to be included in a deal packet.
 20. List any transfers of funds between the Company and the dealerships it operates, or between any of the dealerships.
 21. Please see Section C ("Data Request") below.

B. DOCUMENT REQUESTS

Please provide the following Documents:

1. Documents sufficient to show the Company's organizational structure, including, but not limited to, the relationship between and among the Company and each dealership as well as the Company and AutoCanada.
2. A copy of each unique Advertisement referring or relating to the sale, lease, or financing of motor vehicles by the Company. Please confer with FTC counsel before production if the number of Advertisements responsive to this request exceeds 500.
3. Documents sufficient to show any policies or procedures, whether formal or informal, regarding the Company's handling, processing, or resolution of consumer complaints and inquiries about the Company's Advertising, promotion, offering for sale, or sale of any vehicle or Add-on, including the effective dates of such policies and procedures.
4. Documents sufficient to show the Company's written social media policies, including, without limitation, any policies or procedures related to the posting of, or compensation for, online customer reviews.
5. Documents sufficient to show the Company's written policies and procedures related to social media.
6. Documents sufficient to show any policies, procedures, employee manuals, and training materials referring or relating to the Company's Advertising, marketing, sales, financing, leasing, and legal compliance. This request includes, without limitation, all Documents referring or relating to compliance with the Equal Credit Opportunity Act, the Federal Trade Commission Act, the Truth In Lending Act, state laws governing the sale of automobiles, and the "in-house F&I [finance and insurance] training program and team" referenced in AutoCanada submissions to the SEDAR filing system, including its March 31, 2022 Annual Information Form.
7. All deal packets, including deal jackets, four squares, cost out sheets, pencils, sales quotes, deal sheets, retail installment sale contracts, financing applications, copies of consumers' driver's licenses, and correspondence with consumers for transactions from January 1, 2021 until the date of full and complete compliance with this CID. Please confer with FTC counsel before production if the number of transactions responsive to this request exceeds 500.
8. Service records or other Documents sufficient to substantiate Your response to Interrogatory No. 9.

9. All Documents referring or relating to consumer inquiries, including:
 - a. Complaints regarding the Advertising, promotion, offering for sale, sale, or financing of any vehicle filed by, or on behalf of, consumers with the Company, including complaints or inquires received indirectly such as through the Better Business Bureau, lenders, or manufacturers. This request includes, without limitation, all internal and external Communications and responses thereto, as well as any relevant Advertisement, deal packet, financing application, retail installment contract, or retail purchase agreement;
 - b. The sale or negotiation of Add-ons, including, without limitation, the sale or negotiation of Lojack, Xzilon Fresh Start + Xmicrobe Interior Protection, Xzilon Carbon Ceramic with Graphene Exterior Protection, and any other Xzilon or Spireon products; and
 - c. The negotiation of reconditioning fees.
10. To the extent not covered by Document Request 9 above, all Documents and Communications referring or relating to any request to obtain a refund, chargeback, reversal, or cancellation of an Add-on.
11. All Documents referring or relating to the suspension, discipline, or termination of any employee by the Company or AutoCanada regarding the Subject of Investigation.
12. All Documents referring or relating to any compliance investigation or audit conducted by the Company, AutoCanada, or a third party related to the Subject of Investigation, including, without limitation, the sale, Advertising, financing of vehicles and Add-ons. This Specification includes, without limitation, any audit, monitoring, or investigation conducted by a lender or financial institution related to compliance with the Equal Credit Opportunity Act or Truth In Lending Act. Documents encompassed by this specification included notes, memoranda, Communications, recorded conversations, reports, summaries, conclusions, and recommendations.
13. All documents referring or relating to any payments or compensation made by the Company to any employee or third party in exchange for posting a written review of any of the Company's dealership online.
14. Documents sufficient to show the compensation structure for the Company's employees, agents or other persons working for or on behalf of the Company relating to the sale of a motor vehicle, Add-on, or financing, including bonuses, incentives, or raises.
15. All Communications between the Company and AutoCanada referring or relating to the Subject of Investigation.

16. Documents sufficient to show representative screenshots and reports of the systems identified in response to Interrogatory 15.
17. Documents sufficient to show the Company's document retention or destruction policies during the Applicable Time Period.

C. DATA REQUEST

1. For all vehicle sales (financed purchases, cash purchases, and leases) during the Applicable Time Period, please produce in a machine-readable format (e.g. CSV, TXT, XLS, XLSX, XML, SAS, DTA, MDB, ACCDB) the following data:
 - a. Dealer name
 - b. Dealer address, including separately providing street address, city, state, and zip code
 - c. Deal number
 - d. Deal date
 - e. Stock number
 - f. Deal Status
 - g. Buyer last name
 - h. Buyer first name
 - i. Buyer address, including separately providing street address, city, state, and zip code
 - j. Buyer email address;
 - k. Buyer telephone number;
 - l. Buyer date of birth
 - m. New, used or certified vehicle
 - n. If used or certified, imported into the United States from another country (Y/N)
 - o. Vehicle identification number
 - p. Make and model of vehicle
 - q. Model year
 - r. Trim of vehicle
 - s. Age of vehicle (in months)
 - t. Original mileage
 - u. Price history, including initial, advertised, quoted or penciled price of car
 - v. Cost to dealer
 - w. Vehicle book value
 - x. MSRP
 - y. Sale price of car
 - z. Trade-in actual cash value
 - aa. Trade-in allowance
 - bb. Rebate amount
 - cc. Taxes
 - dd. Registered state
 - ee. Reconditioning fees
 - ff. Dealer prep fees

- gg. Certification fees
- hh. Pre-delivery inspection fees
- ii. Shop fees
- jj. Origination fees
- kk. Document fees
- ll. Title fees
- mm. Lien fees
- nn. Registration fees
- oo. State inspection fees
- pp. Any other fees, itemized
- qq. Cost of credit life purchased
- rr. Cost of gap insurance purchased
- ss. Cost of disability insurance purchased
- tt. Cost of service contract purchased
- uu. Cost of tire and wheel coverage purchased
- vv. Cost of maintenance contract purchased
- ww. Cost of interior or exterior protection package purchased, including, without limitation, any Xzilon product,
- xx. Cost of door guards purchased
- yy. Cost of anti-theft products purchased, including, without limitation, any Lojack product
- zz. Cost of any other Add-ons purchased, itemized
- aaa. Dealer cash
- bbb. Cash purchase, loan, or lease (Y/N)

2. For financed vehicle sales only during the Applicable Time Period, please produce in a machine-readable format (e.g. CSV, TXT, XLS, XLSX, XML, SAS, DTA, MDB, ACCDB) the following data:

- a. Dealer name
- b. Dealer address, including separately providing street address, city, state, and zip code
- c. Lender
- d. Subvented loan Y/N
- e. Deal number
- f. Deal date
- g. Stock number
- h. Status
- i. Buyer's last name
- j. Buyer's first name
- k. Buyer address, including separately providing street address, city, state, and zip code
- l. Buyer date of birth
- m. New or used or certified vehicle
- n. Vehicle identification number
- o. Make and model of vehicle
- p. Model year

- q. Trim of vehicle
- r. Age of vehicle (in months)
- s. Original mileage
- t. Price history, including initial, advertised, quoted or penciled price of car
- u. Cost to dealer
- v. Vehicle book value
- w. Dealer cash
- x. Additional compensation paid by lender to dealer
- y. Reconditioning fees
- z. Dealer prep fees
- aa. Certification fees
- bb. Pre-delivery inspection fees
- cc. Shop fees
- dd. Origination fees
- ee. Sale price of car
- ff. Term
- gg. Contract annual percentage rate
- hh. Buy rate
- ii. Dealer reserve or Dealer Participation
- jj. Dealer reserve flat fee
- kk. Trade-in actual cash value
- ll. Payoff amount
- mm. Trade-in allowance
- nn. Cash down amount
- oo. Rebate amount
- pp. Total down amount
- qq. Registered state
- rr. Document fees
- ss. Title fees
- tt. Lien fees
- uu. Registration fees
- vv. State inspection fees
- ww. Any other fees, itemized
- xx. Taxes
- yy. Cost of credit life purchased
- zz. Cost of gap insurance purchased
- aaa. Cost of disability insurance purchased
- bbb. Cost of service contract purchased
- ccc. Cost of tire and wheel coverage purchased
- ddd. Cost of maintenance contract purchased
- eee. Cost of interior or exterior protection package purchased, including without limitation, any Xzilon product
- fff. Cost of door guards purchased
- ggg. Cost of anti-theft products purchased, including, without limitation, any Lojack product
- hhh. Cost of any other Add-ons purchased, itemized
- iii. MSRP

- jjj. Amount financed
- kkk. Monthly payment amount
- lll. Borrower's credit score
- mmm. Borrower's booked credit tier
- nnn. Own/rent
- ooo. Months in residence
- ppp. Self employed (Y/N)
- qqq. Borrower employer
- rrr. Month employed
- sss. Borrower income
- ttt. Coborrower last name
- uuu. Coborrower first name
- vvv. Coborrower address, including separately providing city, state, and zipcode
- www. Coborrower date of birth
- xxx. Coborrower credit score
- yyy. Coborrower income
- zzz. Loan to value
- aaaa. Debt to income
- bbbb. Payment to income
- cccc. Any additional data used to determine a consumer's monthly payment
- dddd. Dealer facilitated loan (Y/N)
- eeee. Maximum lender-allowed markup on deal, for indirect loans
- ffff. Cash purchase, loan, or lease
- gggg. Buydown amount

RFPA AND SARS NOTICE: This CID does not seek any financial records for which prior customer notice is required under the Right to Financial Privacy Act ("RFPA"), 12 U.S.C. §§ 3401 *et seq.* This CID seeks only information relating to customer accounts in connection with the FTC's lawful investigation directed at one or more legal entities that are not customers. *See* 12 U.S.C. § 3413(h)(1)(A). This CID also does not seek any Suspicious Activity Reports (SARs). Do not produce any SARs or provide any financial records beyond those specifically requested in this CID. If You have any questions, please contact FTC counsel before providing responsive information.

Attached to this CID is a Certificate of Compliance that certifies that this CID complies with RFPA. Good faith reliance on the attached certificate relieves a financial institution and its employees and agents of any liability to customers in connection with the requested disclosures of financial records. *See* 12 U.S.C. § 3417(c).

III. DEFINITIONS

The following definitions apply to this CID:

D-1. **"Add-on"** means any product or service that may be marketed, offered, provided, sold, or arranged by a motor vehicle dealer relating to the sale or financing of a motor vehicle and that is not provided or installed by the motor vehicle manufacturer, including but not limited to extended

warranties, payment programs, guaranteed automobile protection or guaranteed asset protection (“GAP” or “GAP insurance”), etching, service or extended service contracts, maintenance and repair contracts, theft protection or security devices, global positioning systems or starter interrupt devices, undercoating, rustproofing, fabric protection, road service or club memberships, appearance products, credit life insurance, credit accident or disability insurance, credit loss of income insurance, and debt cancellation and debt suspension coverage. The term excludes any such product or service that the dealer provides to the consumer at no charge.

D-2. “**Advertisement**” or “**Advertising**” or “**Ad**” means any written or verbal statement, illustration, or depiction that promotes the sale of a good or service or is designed to increase consumer interest in a brand, good, or service. Advertising media includes, but is not limited to: packaging and labeling; promotional materials; print; television; radio; and Internet, social media, and other digital content.

D-3. “**AutoCanada**” means AutoCanada Inc., the parent company of ACIA17 Automotive, Inc. and ACIA ACQ Corp., d/b/a Leader Automotive Group.

D-4. “**Communication**” means any written or verbal statement, including, without limitation, emails (including those on which the Company was copied or blind copied), text messages, instant messages delivered through services such as Skype and Slack, messages exchanged through the Company’s online consumer chat portal, and messages delivered through any smartphone or smart device application.

D-5. “**Company**,” “**You**,” or “**Your**” means **ACIA17 Automotive, Inc. and ACIA ACQ Corp.**, d/b/a Leader Automotive Group, their wholly or partially owned subsidiaries, unincorporated divisions, joint ventures, operations under assumed names, and affiliates, and all directors, officers, members, employees, agents, consultants, and other persons working for or on behalf of the foregoing.

D-6. “**Dealer Participation**” means the entire range of dealer deviation from the Company’s risk-based buy rate, whether exercised by increasing or decreasing the buy rate, such as by altering the interest rate or buying down the rate. “Dealer Participation” does not include the Company’s discretion to modify the buy rate. “Dealer Participation” does not include a dealer’s buying down of the buy rate with respect to all consumers to the extent such special offers are clearly advertised to all consumers.

D-7. “**Document**” means the complete original, all drafts, and any non-identical copy, whether different from the original because of notations on the copy, different metadata, or otherwise, of any item covered by 15 U.S.C. § 57b-1(a)(5), 16 C.F.R. § 2.7(a)(2), or Federal Rule of Civil Procedure 34(a)(1)(A).

D-8. “**Identify**” or “**the Identity of**” requires identification of (a) natural persons by name, title, present business affiliation, present business address, telephone number, and email address or, if a present business affiliation or present business address is not known, the last known business and home addresses; and (b) businesses or other organizations by name, address, and the identities of your contact persons at the business or organization.

IV. INSTRUCTIONS

I-1. **Petitions to Limit or Quash:** You must file any petition to limit or quash this CID with the Secretary of the FTC no later than twenty (20) days after service of the CID, or, if the return date is less than twenty (20) days after service, prior to the return date. Such petition must set forth all assertions of protected status or other factual and legal objections to the CID and comply with the requirements set forth in 16 C.F.R. § 2.10(a)(1) – (2). **The FTC will not consider petitions to quash or limit if You have not previously met and conferred with FTC staff and, absent extraordinary circumstances, will consider only issues raised during the meet and confer process.** 16 C.F.R. § 2.7(k); *see also* § 2.11(b). **If You file a petition to limit or quash, You must still timely respond to all requests that You do not seek to modify or set aside in Your petition.** 15 U.S.C. § 57b-1(f); 16 C.F.R. § 2.10(b).

I-2. **Withholding Requested Material / Privilege Claims:** For specifications requesting production of Documents or answers to written interrogatories, if You withhold from production any material responsive to this CID based on a claim of privilege, work product protection, statutory exemption, or any similar claim, You must assert the claim no later than the return date of this CID, and You must submit a detailed log, in a searchable electronic format, of the items withheld that identifies the basis for withholding the material and meets all the requirements set forth in 16 C.F.R. § 2.11(a) – (c). The information in the log must be of sufficient detail to enable FTC staff to assess the validity of the claim for each Document, including attachments, without disclosing the protected information. If only some portion of any responsive material is privileged, You must submit all non-privileged portions of the material. Otherwise, produce all responsive information and material without redaction. 16 C.F.R. § 2.11(c). The failure to provide information sufficient to support a claim of protected status may result in denial of the claim. 16 C.F.R. § 2.11(a)(1).

I-3. **Modification of Specifications:** The Bureau Director, a Deputy Bureau Director, Associate Director, Regional Director, or Assistant Regional Director must agree in writing to any modifications of this CID. 16 C.F.R. § 2.7(l).

I-4. **Scope of Search:** This CID covers Documents and information in Your possession or under Your actual or constructive custody or control, including Documents and information in the possession, custody, or control of Your attorneys, accountants, directors, officers, employees, service providers, and other agents and consultants, whether or not such Documents or information were received from or disseminated to any person or entity.

I-5. **Identification of Responsive Documents:** For specifications requesting production of Documents, You must identify in writing the Documents that are responsive to the specification. Documents that may be responsive to more than one specification of this CID need not be produced more than once. If any Documents responsive to this CID have been previously supplied to the FTC, You may identify the Documents previously provided and the date of submission.

I-6. **Maintain Document Order:** For specifications requesting production of Documents, You must produce Documents in the order in which they appear in Your files or as electronically stored. If Documents are removed from their original folders, binders, covers, containers, or

electronic source, You must specify the folder, binder, cover, container, or electronic media or file paths from which such Documents came.

I-7. Numbering of Documents: For specifications requesting production of Documents, You must number all Documents in Your submission with a unique identifier such as a Bates number or a Document ID.

I-8. Production of Copies: For specifications requesting production of Documents, unless otherwise stated, You may submit copies in lieu of original Documents if they are true, correct, and complete copies of the originals and You preserve and retain the originals in their same state as of the time You received this CID. Submission of copies constitutes a waiver of any claim as to the authenticity of the copies should the FTC introduce such copies as evidence in any legal proceeding.

I-9. Production in Color: For specifications requesting production of Documents, You must produce copies of Advertisements in color, and You must produce copies of other materials in color if necessary to interpret them or render them intelligible.

I-10. Electronically Stored Information: For specifications requesting production of Documents, see the attached FTC Bureau of Consumer Protection Production Requirements (“Production Requirements”), which detail all requirements for the production of electronically stored information to the FTC. You must discuss issues relating to the production of electronically stored information with FTC staff **prior to** production.

I-11. Sensitive Personally Identifiable Information (“Sensitive PII”) or Sensitive Health Information (“SHI”): For specifications requesting production of Documents or answers to written interrogatories, if any responsive materials contain Sensitive PII or SHI, please contact FTC counsel before producing those materials to discuss whether there are steps You can take to minimize the amount of Sensitive PII or SHI You produce, and how to securely transmit such information to the FTC.

Sensitive PII includes an individual’s Social Security number; an individual’s biometric data; and an individual’s name, address, or phone number in combination with one or more of the following: date of birth, driver’s license or state identification number (or foreign country equivalent), military identification number, passport number, financial account number, credit card number, or debit card number. Biometric data includes biometric identifiers, such as fingerprints or retina scans, but does not include photographs (with the exception of photographs and corresponding analyses used or maintained in connection with facial recognition software) or voice recordings and signatures (with the exception of those stored in a database and used to verify a person’s identity). SHI includes medical records and other individually identifiable health information relating to the past, present, or future physical or mental health or conditions of an individual, the provision of health care to an individual, or the past, present, or future payment for the provision of health care to an individual.

I-12. Interrogatory Responses: For specifications requesting answers to written interrogatories: (a) answer each interrogatory and each interrogatory subpart separately, fully, and in writing; and (b) verify that Your answers are true and correct by signing Your answers

under the following statement: “I verify under penalty of perjury that the foregoing is true and correct. Executed on (date). (Signature).” The verification must be submitted contemporaneously with Your interrogatory responses.

I.13. Submission of Documents in Lieu of Interrogatory Answers: You may answer any written interrogatory by submitting previously existing Documents that contain the information requested in the interrogatory so long as You clearly indicate in each written interrogatory response which Documents contain the responsive information. For any interrogatory that asks You to identify Documents, You may, at Your option, produce the Documents responsive to the interrogatory so long as You clearly indicate the specific interrogatory to which such Documents are responsive.

CERTIFICATION OF COMPLIANCE

Pursuant to 28 U.S.C. § 1746

I, _____, certify the following with respect to the Federal Trade Commission’s (“FTC”) Civil Investigative Demand directed to ACIA17 Automotive, Inc. and ACIA ACQ Corp., d/b/a Leader Automotive Group (the “Company”) (FTC File No. 2323004) (the “CID”):

1. The Company has identified all documents, information, and/or tangible things (“responsive information”) in the Company’s possession, custody, or control responsive to the CID and either:
- (a) provided such responsive information to the FTC; or
 - (b) for any responsive information not provided, given the FTC written objections setting forth the basis for withholding the responsive information.

I verify that the responses to the CID are complete and true and correct to my knowledge.

I certify under penalty of perjury that the foregoing is true and correct.

Date: _____

Signature

Printed Name

Title

CERTIFICATION OF RECORDS OF REGULARLY CONDUCTED ACTIVITY
Pursuant to 28 U.S.C. § 1746

1. I, _____, have personal knowledge of the facts set forth below and am competent to testify as follows:
2. I have authority to certify the authenticity of the records produced by ACIA17 Automotive, Inc. and ACIA ACQ Corp., d/b/a Leader Automotive Group (the “Company”), and attached hereto.
3. The documents produced and attached hereto by the Company are originals or true copies of records of regularly conducted activity that:
 - a) Were made at or near the time of the occurrence of the matters set forth by, or from information transmitted by, a person with knowledge of those matters;
 - b) Were kept in the course of the regularly conducted activity of the Company; and
 - c) Were made by the regularly conducted activity as a regular practice of the Company.

I certify under penalty of perjury that the foregoing is true and correct.

Date: _____

Signature

CERTIFICATE OF COMPLIANCE WITH THE RFPA

This certifies that the provisions of the Right to Financial Privacy Act of 1978 (“RFPA”), 12 U.S.C. §§ 3401 *et seq.*, have been complied with as to the attached Civil Investigative Demand.

The attached Civil Investigative Demand seeks financial records in connection with the Federal Trade Commission’s lawful investigation into whether one or more legal entities that are not customers within the meaning of the RFPA are in compliance with laws administered by the Commission. *See* 12 U.S.C § 3413 (h)(1)(A). The information may be transferred to another government agency or department consistent with the RFPA.

According to the RFPA, good faith reliance on this certificate relieves a financial institution and its employees and agents of any liability to customers in connection with the requested disclosures of financial records. *See* 12 U.S.C. § 3417(c).

TODD KOSSOW Digitally signed by TODD KOSSOW
Date: 2022.12.13 17:01:07 -06'00'

Todd Kossow
Regional Director, Midwest Region
Bureau of Consumer Protection
Federal Trade Commission

Date: December 13, 2022

Federal Trade Commission - Bureau of Consumer Protection

Production Requirements

Revised July 2020

In producing information to the FTC, comply with the following requirements, unless the FTC agrees otherwise. If you have questions about these requirements, please contact FTC counsel before production.

Production Format

1. **General Format:** Provide load-ready electronic productions with:

- a. A delimited data load file (.DAT) containing a line for every document, unique id number for every document (DocID), metadata fields, and native file links where applicable; and
- b. A document level text file, named for the DocID, containing the text of each produced document.

Do not produce corresponding image renderings (e.g., TIFF or JPEG) for files in native format unless the FTC requests them. If the FTC requests corresponding image renderings, provide an Opticon image load file (.OPT) containing a line for every image file.

2. **Electronically Stored Information (ESI):** Documents stored in electronic format in the ordinary course of business must be produced in the following format:

- a. For ESI other than the categories below, submit in native format with all metadata and either document level extracted text or Optical Character Recognition (OCR). Do not produce corresponding image renderings (e.g., TIFF or JPEG) for files in native format unless the FTC requests them. If the FTC requests corresponding image renderings, they should be converted to Group IV, 300 DPI, single-page TIFF (or color JPEG images when necessary to interpret the contents or render them intelligible.)
- b. For Microsoft Excel, Access, or PowerPoint files, submit in native format with extracted text and metadata. Data compilations in Excel spreadsheets or delimited text formats must contain all underlying data, formulas, and algorithms without redaction.
- c. For other spreadsheet, database, presentation, or multimedia formats; instant messages; or proprietary applications, discuss the production format with FTC counsel.

3. **Hard Copy Documents:** Documents stored in hard copy in the ordinary course of business must be scanned and submitted as either one multi-page pdf per document or as 300 DPI single page TIFFs (or color JPEGs when necessary to interpret the contents or render them intelligible), with corresponding document-level OCR text and logical document determination in an accompanying load file.

4. **Document Identification:** Provide a unique DocID for each hard copy or electronic document, consisting of a prefix and a consistent number of numerals using leading zeros. Do not use a space to separate the prefix from numbers.

5. **Attachments:** Preserve the parent/child relationship by producing attachments as separate documents, numbering them consecutively to the parent email, and including a reference to all attachments.
6. **Metadata Production:** For each document submitted electronically, include the standard metadata fields listed below in a standard delimited data load file. The first line of the data load file shall include the field names. Submit date and time data in separate fields. Use these standard Concordance delimiters in delimited data load files:

Description	Symbol	ASCII Character
Field Separator	¶	20
Quote Character	”	254
Multi Entry delimiter	®	174
<Return> Value in data	~	126

7. **De-duplication:** Do not use de-duplication or email threading software without FTC approval.
8. **Password-Protected Files:** Remove passwords prior to production. If password removal is not possible, provide the original and production filenames and the passwords, under separate cover.

Producing Data to the FTC

1. Prior to production, scan all data and media for viruses and confirm they are virus-free.
2. For productions smaller than 50 GB, submit data electronically using the FTC’s secure file transfer protocol. Contact FTC counsel for instructions. **The FTC cannot accept files via Dropbox, Google Drive, OneDrive, or other third-party file transfer sites.**
3. If you submit data using physical media:
 - a. Use only CDs, DVDs, flash drives, or hard drives. Format the media for use with Windows 7;
 - b. Use data encryption to protect any Sensitive Personally Identifiable Information or Sensitive Health Information (as defined in the instructions), and provide passwords in advance of delivery, under separate cover; and
 - c. Use a courier service (e.g., Federal Express, UPS) because heightened security measures delay postal delivery.
4. Provide a transmittal letter with each production that includes:
 - a. Production volume name (e.g., Volume 1) and date of production;
 - b. Numeric DocID range of all documents in the production, and any gaps in the DocID range; and
 - c. List of custodians and the DocID range for each custodian.

Standard Metadata Fields

DAT FILE FIELDS	DEFINITIONS	POPULATE FIELD FOR:
DocID	Unique ID number for each document	All Documents
FamilyID	Unique ID for all documents in a family including parent and all child documents	All Documents
ParentID	Document ID of the parent document. This field will only be populated on child items	All Documents
File Path	Path to produced native file	All Documents
TextPath	Path to document level text or OCR file	All Documents
Custodian	Name of the record owner/holder	All Documents
AllCustodians	Names of all custodians that had copy of this record (populate if data was deduplicated or email threading was used)	All Documents
Source	Source of documents: CID, Subpoena, Third Party Data, etc.	All Documents
Filename	Original file name	All Documents
File Size	Size of documents	All Documents
File Extensions	Extension of file type	All Documents
MD5 Hash	Unique identifier for electronic data used in de-duplication	All Documents
PRODUCTION_VOLUME	Production Volume	All Documents
HASREDACTIONS	Redacted document	All Documents
Exception Reason	Reason for exception encountered during processing (e.g., empty file, source file, password-protected file, virus)	All Documents
PRODBEG	Beginning production bates number	Documents with Produced Images
PRODEND	Ending production bates number	Documents with Produced Images
PRODBEG_ATTACH	Beginning production family bates number	Documents with Produced Images
PRODEND_ATTACH	Ending production family bates number	Documents with Produced Images
Page Count	The number of pages the document contains	Documents with Produced Images
From	Names retrieved from the FROM field in a message	Emails
To	Names retrieved from the TO field in a message; the recipient(s)	Emails
CC	Names retrieved from the CC field in a message; the copied recipient(s)	Emails
BCC	Names retrieved from the BCC field in a message; the blind copied recipient(s)	Emails
EmailSubject	Email subject line	Emails
Date Sent	The date an email message was sent	Emails
Time Sent	The time an email message was sent	Emails
Date Received	The date an email message was received	Emails
Time Received	The time an email message was received	Emails
Author	File Author	Loose Native Files and Email Attachments
Title	File Title	Loose Native Files and Email Attachments
Subject	File Subject	Loose Native Files and Email Attachments
Date Created	Date a document was created by the file system	Loose Native Files and Email Attachments
Time Created	Time a document was created by the file system	Loose Native Files and Email Attachments
Date Modified	Last date a document was modified and recorded by the file system	Loose Native Files and Email Attachments
Time Modified	Last time a document was modified and recorded by the file system	Loose Native Files and Email Attachments
Date Printed	Last date a document was printed and recorded by the file system	Loose Native Files and Email Attachments
Time Printed	Last time a document was printed and recorded by the file system	Loose Native Files and Email Attachments

UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION

COMMISSIONERS: James C. Miller III, Chairman
Michael Pertschuk
Patricia P. Bailey
George W. Douglas
Terry Calvani

RESOLUTION DIRECTING USE OF COMPULSORY
PROCESS IN NONPUBLIC INVESTIGATION

File No. 832 3127

Nature and Scope of Investigation: To determine whether unnamed persons, partnerships, corporations or others engaged in the advertising, marketing, offering for sale, sale or financing of motor vehicles, have been engaging or may be engaging in violations of the Truth in Lending Act, 15 U.S.C. §1601 et seq., as amended, or Regulation Z, 12 C.F.R. Part 226, as amended, or in unfair or deceptive acts or practices or unfair methods of competition in violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. §45, as amended.


The investigation is also to determine whether Commission action to obtain redress of injury to consumers or others would be in the public interest.

The Federal Trade Commission hereby resolves and directs that any and all compulsory processes available to it be used in connection with this investigation.

Authority to Conduct Investigation:

Sections 6, 9, 10, and 20 of Federal Trade Commission Act, 15 U.S.C. §§ 46, 49, 50, and 57b-1, as amended; FTC Procedures and Rules of Practices, 16 C.F.R. § 1.1., et seq., and supplements thereto; and Title 1 of the Consumer Credit Protection Act, Section 108(c), 15 U.S.C. § 1607; 12 C.F.R. §226.1(e), and supplements thereto.

By direction of the Commission.


Emily H. Rock
Secretary

Dated: December 20, 1983

**UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION**

COMMISSIONERS: Janet D. Steiger, Chairman
Mary L. Azcuenaga
Deborah K. Owen
Roscoe B. Starek, III
Dennis A. Yao

**RESOLUTION DIRECTING USE OF COMPULSORY PROCESS
IN NONPUBLIC INVESTIGATION**

Unnamed Violators of the Equal Credit Opportunity Act
File Number P944809

Nature and Scope of Investigation:

To determine whether certain unnamed persons, partnerships, corporations, associations or other entities have been or may be engaged in acts or practices in violation of the Equal Credit Opportunity Act, 15 U.S.C. § 1691 et seq. and Regulation B, 12 C.F.R. § 202 et seq., and to determine whether these persons, partnerships, corporations, associations or other entities have been or are engaged in unfair or deceptive acts or practices in violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45, as amended. Such acts or practices may include, but are not limited to, discriminating in the extension of credit on the basis of an applicant's gender, race, marital status, national origin, color, age, religion, receipt of public assistance income, or because an applicant in good faith exercised any right under the Consumer Credit Protection Act. This investigation is also to determine whether Commission action to obtain redress of injury to consumers or others would be in the public interest.

The Federal Trade Commission hereby resolves and directs that any and all compulsory processes available to it be used in connection with this investigation.

Authority to Conduct Investigation:

Sections 6, 9, 10, and 20 of the Federal Trade Commission Act, 15 U.S.C. §§ 46, 49, 50 and 57b-1, as amended; FTC Procedures and Rules of Practice 16 C.F.R. § 1.1 et seq. and supplements thereto; Title VI of the Consumer Credit Protection

Act, Section 621, 15 U.S.C. § 1681 (s); and Regulation B, 12 C.F.R. § 202 et seq.

By direction of the Commission.

C. Landis Plummer
C. Landis Plummer
Acting Secretary

DATED: August 1, 1994

**UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION**

COMMISSIONERS: **Rebecca Kelly Slaughter, Acting Chairwoman**
 Noah Joshua Phillips
 Rohit Chopra
 Christine S. Wilson

**RESOLUTION DIRECTING USE OF COMPULSORY PROCESS IN A
NON-PUBLIC INVESTIGATION OF UNNAMED MARKETERS
USING ENDORSEMENTS OR TESTIMONIALS**

File No. 112 3162

Nature and Scope of Investigation:

To determine whether unnamed persons, partnerships, corporations, or others have engaged or are engaging in deceptive or unfair acts or practices in or affecting commerce in the advertising, marketing, or sale of products or services through the use of endorsements or testimonials, in violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45, as amended. The investigation is also to determine whether Commission action to obtain monetary relief would be in the public interest.

The Federal Trade Commission hereby resolves and directs that any and all compulsory processes available to it be used in connection with this investigation for a period not to exceed five (5) years from the date of issuance of this resolution. The expiration of this five-year period shall not limit or terminate the investigation or the legal effect of any compulsory process issued during the five-year period. The Federal Trade Commission specifically authorizes the filing or continuation of actions to enforce any such compulsory process after the expiration of the five-year period.

Authority to Conduct Investigation:

Sections 6, 9, 10, and 20 of the Federal Trade Commission Act, 15 U.S.C. §§ 46, 49, 50, and 57b-1, as amended; and FTC Procedures and Rules of Practice, 16 C.F.R. § 1.1 *et seq.*, and supplements thereto.

By direction of the Commission.


April J. Tabor
Secretary

Issued: March 26, 2021
Expires: March 26, 2026



EXHIBIT 2

Elizabeth M. Pall

From: Davis, James <jdavis@ftc.gov>
Sent: Friday, January 13, 2023 2:54 PM
To: Elizabeth M. Pall; Ira M. Levin; Denny, Samantha
Cc: Carson, Christine; Marksteiner, Ryne
Subject: RE: Federal Trade Commission, Matter No. 2323004 - Leader Automotive Group

[EXTERNAL]

Dear Liz,

Thank you for your message. After conferring with our managers, we are unable to grant an extension of the motion to quash or limit the CID. As you know from the Liberty Auto matter, such extensions are granted only under extraordinary circumstances and we do not see a basis for doing so here. Indeed, your email articulates no reason why such an extension is warranted.

Your request is further undermined by its timing. We served the CID via email on December 27, 2022. That afternoon, I received a voicemail from Ira, which I promptly returned. During our brief call, we agreed to schedule a meet and confer on or about January 10, 2023; I suggested that Ira prepare a proposed production schedule prior to that meeting; and he agreed to attempt to do so. In a follow up email sent the day of our meet and confer, January 10, 2023, Ira indicated that he would not be able to provide such a schedule until conferring with the client and clarifying certain issues with the FTC. We met later that afternoon for approximately one hour and discussed a variety of issues related to the CID. At no time during any of these interactions was the subject of an extension to file a motion to quash or limit the CID raised. Your email, sent just days before the existing deadline, is the first indication during this two and a half week period that your client would request an extension of the motion to quash deadline. And it provides no justification whatsoever for the extension, let alone the extraordinary circumstances that are required.

Although we are not willing to grant your request, as discussed during our meet and confer, we are open to extending the production deadline subject to certain conditions. As also discussed, to the extent that you believe certain requests to be particularly burdensome, we are willing to discuss with you the possibility of narrowing the scope of such requests. Please note, however, that any agreement to accept information or documents less than the full scope of a particular CID specification will not serve to modify that specification, and we will reserve the right to obtain a complete response if that proves necessary at a later date.

We look forward to working with you and appreciate your cooperation.

Best,

Jim

James Davis

Attorney, Federal Trade Commission | Midwest Region
230 South Dearborn Street, Suite 3030, Chicago, IL 60604
jdavis@ftc.gov | (312) 960-5596

From: Elizabeth M. Pall <EPall@burkelaw.com>
Sent: Thursday, January 12, 2023 5:00 PM
To: Ira M. Levin <ILevin@burkelaw.com>; Denny, Samantha <sdenny@ftc.gov>; Davis, James <jdavis@ftc.gov>

Cc: Carson, Christine <ccarson@ftc.gov>; Marksteiner, Ryne <rmarksteiner@ftc.gov>
Subject: RE: Federal Trade Commission, Matter No. 2323004 - Leader Automotive Group

Sam,

Ira and I are meeting with our client tomorrow and anticipate being able to get you a proposed production schedule (and maybe even some initial information/records) next week. In the meantime, I believe our deadline to file a Petition to Limit or Quash the CID is Monday (which would probably be Tuesday since Monday is a holiday.) While we are working on that schedule and gathering the requested records and information, is the FTC agreeable to extending the time for ACIA to file a Petition to Limit or Quash the CID? I think if we extend that deadline to the end of the month, it will give us more time to continue to discuss the production schedule and potential means of limiting some of the requests (such as the sampling we discussed on Tuesday's call.) Please advise regarding the FTC's position on such an extension at your earliest convenience.

Thank you,
Liz

Elizabeth M. Pall | *Partner*

P 312-840-7099 | F 312-840-7900 | EPall@burkelaw.com | www.burkelaw.com

Burke, Warren, MacKay & Serritella, P.C. 330 N Wabash Ave, Suite 2100, Chicago IL 60611

From: Ira M. Levin <ILevin@burkelaw.com>
Sent: Wednesday, January 11, 2023 10:57 AM
To: Denny, Samantha <sdenny@ftc.gov>; Davis, James <jdavis@ftc.gov>
Cc: Elizabeth M. Pall <EPall@burkelaw.com>; Carson, Christine <ccarson@ftc.gov>; Marksteiner, Ryne <rmarksteiner@ftc.gov>
Subject: Federal Trade Commission, Matter No. 2323004 - Leader Automotive Group

Samantha: Thanks for your email. Deal jackets were not being scanned throughout the period requested in the subpoena, which was a more recent development as I recall, and there was a change in systems as well. We will follow up with you on this and other issues.

Ira M. Levin

P 312-840-7065 | F 312-840-7900 | ILevin@burkelaw.com | www.burkelaw.com

Burke, Warren, MacKay & Serritella, P.C. 330 N Wabash Ave, Suite 2100, Chicago IL 60611

From: Denny, Samantha <sdenny@ftc.gov>
Sent: Wednesday, January 11, 2023 10:16 AM
To: Ira M. Levin <ILevin@burkelaw.com>; Davis, James <jdavis@ftc.gov>
Cc: Elizabeth M. Pall <EPall@burkelaw.com>; Carson, Christine <ccarson@ftc.gov>; Marksteiner, Ryne <rmarksteiner@ftc.gov>
Subject: RE: Federal Trade Commission, Matter No. 2323004 - Leader Automotive Group

[EXTERNAL]

Ira and Liz,

Thank you for meeting with us yesterday to discuss Leader's compliance with the CID.

With respect to the production of documents and data, there were a couple of points that we wanted to clarify. To the extent that documents and data are kept in electronic form we would expect to receive the full universe of documents and data as it should be an easy matter produce electronic files. For example, it is our understanding that deal jackets

are scanned and uploaded to offsite servers maintained by CDK or another third party service provider. These documents, and any other responsive, electronically stored documents and information, should be produced in their entirety. For documents or data only available in hard copy, we are open to accepting an agreed-upon representative sample.

Further, please forward your proposed production timeline as soon as practicable. As you know, any extensions in responding to the CID have to be reviewed and agreed to by our management.

Please let us know if you have any questions regarding any of this.

Best,

Sam

Samantha ("Sam") Denny (she/her) | Staff Attorney | Federal Trade Commission | 230 South Dearborn, Ste. 3030, Chicago, IL 60604
Office: 312.960.5623 | Cell: 202.766.7169 | Fax: 312.960.5600 | sdenny@ftc.gov

From: Ira M. Levin <ILevin@burkelaw.com>
Sent: Monday, January 9, 2023 9:08 AM
To: Davis, James <jdavis@ftc.gov>; Denny, Samantha <sdenny@ftc.gov>
Cc: Elizabeth M. Pall <EPall@burkelaw.com>; Carson, Christine <ccarson@ftc.gov>
Subject: RE: Federal Trade Commission, Matter No. 2323004 - Leader Automotive Group

Jim: When I booked our meeting, I did not recall I had another call that one of my partners was booking at the same time but had not yet put in my calendar. Can we move our call to 4pm CT tomorrow?

Ira M. Levin

P 312-840-7065 | F 312-840-7900 | ILevin@burkelaw.com | www.burkelaw.com
Burke, Warren, MacKay & Serritella, P.C. 330 N Wabash Ave, Suite 2100, Chicago IL 60611

From: Davis, James <jdavis@ftc.gov>
Sent: Monday, January 2, 2023 12:58 PM
To: Ira M. Levin <ILevin@burkelaw.com>; Denny, Samantha <sdenny@ftc.gov>
Cc: Elizabeth M. Pall <EPall@burkelaw.com>; Joshua J. Cauhorn <jcauhorn@burkelaw.com>; Carson, Christine <ccarson@ftc.gov>
Subject: RE: Federal Trade Commission, Matter No. 2323004 - Leader Automotive Group

[EXTERNAL]

Ira,

Thanks for your email. January 10 at 3pm CT works on our end. I am also copying Chris Carson, a paralegal in our office. Chris will most likely join us as well. Would you like to meet in person, via Teams/Zoom, or by telephone? We are flexible.

Best,

Jim

From: Ira M. Levin <ILevin@burkelaw.com>
Sent: Monday, January 2, 2023 9:40 AM

To: Davis, James <jdavis@ftc.gov>; Denny, Samantha <sdenny@ftc.gov>
Cc: Elizabeth M. Pall <EPall@burkelaw.com>; Joshua J. Cauhorn <jcauhorn@burkelaw.com>
Subject: Federal Trade Commission, Matter No. 2323004 - Leader Automotive Group

Jim: This will confirm that my law firm will be representing the Respondents in connection with the FTC's CID and Notice, copies of which are attached. We have scheduled a call to meet and confer with you on January 10, 2022. I believe we said 3pm CT, but I was in my car when we talked so please confirm the time. In the meantime, I will get you a proposed schedule. Thank you.

Ira M. Levin

Burke, Warren, MacKay & Serritella, P.C.
330 N Wabash Ave, 21st Floor | Chicago, IL 60611
P 312-840-7065 | F 312-840-7900
ILEvin@burkelaw.com | www.burkelaw.com
[Profile](#) | [vCard](#)



BURKE, WARREN,
MACKAY & SERRITELLA, P.C.

Confidentiality Note: This email message is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is strictly prohibited. If you are not the intended recipient, contact the sender via reply email and destroy all copies of the original message.