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5 Attorneys for Plaintiffs CarMax Auto  
 6 Superstores West Coast, Inc., CarMax  
 7 Auto Superstores California, LLC,  
 and CarMax Business Services, LLC

8  
 9 **UNITED STATES DISTRICT COURT**  
 10 **FOR THE CENTRAL DISTRICT OF CALIFORNIA –**  
 11 **WESTERN DIVISION**

12	CARMAX AUTO SUPERSTORES	)	Case No. CV10-8097 PA (JEMx)
13	WEST COAST, INC., a California	)	Complaint filed: October 27, 2010
14	corporation,	)	
15	CARMAX AUTO SUPERSTORES	)	<b>CONSENT DECREE AND ORDER</b>
16	CALIFORNIA, LLC, a Virginia	)	<b>FOR INJUNCTION AND OTHER</b>
17	corporation, and	)	<b>RELIEF</b>
18	CARMAX BUSINESS SERVICES	)	
19	LLC, a Delaware limited liability	)	<b>NOTE: CHANGES MADE BY THE</b>
20	company,	)	<b>COURT</b>
21		)	
22	Plaintiffs,	)	
23		)	
24	v.	)	
25		)	
26	AUTOMAX CORPORATION, a	)	
27	California corporation, and	)	
28	MICHAEL F. KHOUNANI, an	)	
	individual,	)	
		)	
	Defendants.	)	
		)	

1           Whereas plaintiffs CARMAX AUTO SUPERSTORES WEST COAST,  
2 INC., CARMAX AUTO SUPERSTORES CALIFORNIA, LLC and CARMAX  
3 BUSINESS SERVICES, LLC (collectively “CARMAX” or “plaintiffs”) have  
4 commenced this action against defendants AUTOMAX CORPORATION  
5 (“AUTOMAX”) and MICHAEL F. KHOUNANI (“KHOUNANI”) (collectively  
6 “defendants”) by filing the complaint herein; the plaintiffs and defendants  
7 (collectively “the parties”) have been represented by counsel whose names appear  
8 hereafter; and the parties have agreed to settlement of this action upon the  
9 following terms and conditions:

10           NOW, THEREFORE, on the joint motion of plaintiffs and defendants, it is  
11 hereby ORDERED, ADJUDGED, and DECREED as follows:

12           1.     This is an action for trademark infringement, trademark dilution, trade  
13 dress infringement, and unfair competition arising under the Lanham Act, 15  
14 U.S.C. §§ 1051 *et seq.*

15           2.     This Court has jurisdiction over this subject matter and of the parties  
16 pursuant to 28 U.S.C. § 1338(a), 28 U.S.C. § 1338(b), 15 U.S.C. § 1121, 15 U.S.C.  
17 ch. 22, 28 U.S.C. § 1331, 28 U.S.C. § 1391.

18           3.     Defendants have entered into this Consent Decree and Order for  
19 Injunction and Other Relief (“Order”) freely and without coercion and consent to  
20 its entry. Defendants further acknowledge that they have read the provisions of  
21 this Order and are prepared to abide by them.

22           4.     This Order shall be binding upon defendants and any successors to  
23 any interest in any automobile dealerships or automobile service centers owned by  
24 them or any other business involved in the sales or servicing of automobiles,  
25 automobile parts or automobile-related services.

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1 **INJUNCTION**

2 5. IT IS ORDERED that defendants, and their officers, agents,  
3 representatives, and employees, and all persons in active concert or participation  
4 with them, are hereby enjoined, directly or through any corporation, subsidiary,  
5 division, website, or other device from: Using a CarMax Trademark or Trade  
6 Dress, including without limitation, a blue, yellow, and white color scheme, dashed  
7 underlining, and/or the capitalization structure used by CARMAX, or confusingly  
8 similar variations thereof, in connection with the advertising, offering for sale, sale,  
9 lease, trade, distribution, or service of automobiles, trucks, or other wheeled  
10 vehicles, and auction services related thereto or any other goods or services  
11 substantially similar to those of CARMAX, including without limitation sales of  
12 and auction services related to used vehicles.

13  
14 **PAYMENT OF SETTLEMENT FUNDS**

15 6. IT IS FURTHER ORDERED that defendants, jointly and severally,  
16 shall pay to plaintiffs the sum of Ten Thousand and 00/100 Dollars (\$10,000) in  
17 exchange for CARMAX dismissing the Action without prejudice. The \$10,000  
18 payment shall be made in twenty (20) monthly installments of \$500.00. Each  
19 \$500.00 installment is due on the 1<sup>st</sup> day of the calendar month, except as to the  
20 first month where the first payment shall be due within 15 days upon execution of  
21 the Agreement, whichever is sooner. All installment payments shall be made  
22 payable to “CarMax Auto Superstores California, LLC”, TIN [REDACTED] 8059, and  
23 mailed directly to CarMax, c/o Kristine Rice, 12800 Tuckahoe Creek Parkway,  
24 Richmond, VA 23238.

25 7. In the event of any default payment, which default continues for ten  
26 (10) days beyond the due date of payment, the entire unpaid penalty, together with  
27 10% interest (accrued from the date of default) shall become due and payable.  
28




1 the injunction, and for reasonable attorneys fees and costs as discussed in  
2 paragraph 9 above.

3 **JUDGMENT IS THEREFORE ENTERED** in favor of plaintiffs and  
4 against defendants, pursuant to all the terms and conditions recited above.

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Dated: September 13, 2011



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Percy Anderson  
U.S. District Judge

1           The parties hereby consent to the terms and conditions of the Order as set  
2 forth above and consent to the entry thereof.

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4 For Defendants:

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6 Dated: \_\_\_\_\_, 2011

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8 \_\_\_\_\_  
9 AUTOMAX CORPORATION  
10 By: Michael F. Khounani

11 Dated: \_\_\_\_\_, 2011

12 \_\_\_\_\_  
13 Michael F. Khounani

14 For Plaintiffs:

15  
16 Dated: \_\_\_\_\_, 2011

17  
18 \_\_\_\_\_  
19 CARMAX AUTO SUPERSTORES  
20 WEST COAST, INC.  
21 CARMAX AUTO SUPERSTORES  
22 CALIFORNIA, LLC  
23 CARMAX BUSINESS SERVICES,  
24 LLC  
25 By: \_\_\_\_\_

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