



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

Karen Ross, Secretary

March 8, 2012

DMS NOTICE
QC - 12 - 3
DISCARD: RETAIN

TO: WEIGHTS AND MEASURES OFFICIALS

SUBJECT: Final Judgment – Golden State Supply LLC and Worldwide Auto Parts, Inc.
(CARQUEST Auto Parts)

Enclosed is the “Final Judgment in its Entirety and Permanent Injunction Pursuant to Stipulation” issued by the San Diego County District Attorney’s Office and the San Diego City Attorney filed on February 23, 2012, against Golden State Supply LLC and Worldwide Auto Parts, Inc. (CARQUEST Auto Parts). The basis for this settlement was overcharging customers and failing to properly display prices as they were interpreted by the point of sale system pursuant to California Business and Professions Code Sections 12024.2 and 13300, respectively.

Golden State Supply LLC and Worldwide Auto Parts, Inc. (CARQUEST Auto Parts) were assessed civil penalties, investigative cost recovery, and *cy pres* of \$165,975. Civil penalties amounted to \$89,234.60, *cy pres* restitution amounted to \$30,000.00, and \$46,740.40 was for prosecuting and investigative costs. The *Cy Pres* will be divided equally between the Division of Measurement Standards’ and San Diego County’s weights and measures programs.

San Diego County should report these penalties on the County Monthly Report (CMR). All participating counties should separately record their individual investigative cost reimbursements in the appropriate columns in the report.

We appreciate the fine work done on behalf of the people by the prosecution team representing the various District Attorneys’ Offices, as well as the State and county investigators that documented and caused to be prosecuted these violations. If you have any questions, please contact Kathy de Contreras, Supervising Special Investigator, Quantity/Weighmaster Programs, Enforcement Branch at (916) 229-3047, or via email at kcontreras@cdfa.ca.gov.

Sincerely,

Kristin J. Macey
Director

Enclosure

cc: Edmund Williams, Director, CDFA County/State Liaison



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No Fee GC § 6103

F I L E D
Clerk of the Superior Court

FEB 23 2012

By: A. ATTAWAY, Deputy

SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN DIEGO

THE PEOPLE OF THE STATE OF CALIFORNIA,

Plaintiff,

v.

GOLDEN STATE SUPPLY LLC;
WORLDWIDE AUTO PARTS, INC.; and
DOES 1 through 10, inclusive,

Defendants

Case No. 37 - 2012 - 00092632-CV-167-CL

FINAL JUDGMENT IN ITS
ENTIRETY AND PERMANENT
INJUNCTION PURSUANT TO
STIPULATION

Plaintiff, the People of the State of California, by and through BONNIE M. DUMANIS, District Attorney of San Diego County, and JAN GOLDSMITH, City Attorney of the City of San Diego; and Defendants, WORLDWIDE AUTO PARTS, INC., and GOLDEN STATE SUPPLY LLC, doing business as "CARQUEST Auto Parts," appearing through their attorney, ERIK BLISS of SHEPPARD, MULLIN, RICHTER & HAMPTON LLP; having stipulated and consented to the entry of this Judgment and Permanent Injunction ("Judgment") prior to the taking of proof, and without trial or adjudication of any issue of fact or law herein, and without Defendants answering or otherwise responding to the Complaint and its allegations, and without this Judgment constituting evidence or an admission by Defendants; and

The Court having considered the pleadings;

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED as follows:

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JURISDICTION

1. This action is brought under California law and this Court has jurisdiction of its subject matter and parties.

APPLICABILITY

2. The provisions of this Judgment are applicable to defendants GOLDEN STATE SUPPLY LLC and WORLDWIDE AUTO PARTS, INC. (together, "Defendants"), and to the successors and assignees of Defendants, and to all persons, partnerships, corporations, and other entities acting for, through, or on behalf of, or in concert with Defendants' operation of retail stores in California, with actual or constructive notice of this Judgment. All obligations imposed upon Defendants by the terms of this Judgment are ordered pursuant to Business and Professions Code sections 17203 and 17535.

INJUNCTION

3. Defendants and all persons and entities set forth in paragraph 2 above, are hereby permanently enjoined and restrained, pursuant to Business and Professions Code sections 17203 and 17535, from directly or indirectly:

- A. Representing a price on an item, store shelf or sign near the item and then charging a greater price at the time the product is purchased; and,
- B. At the time of sale of a commodity in California, charging an amount greater than the price, or computing an amount greater than a true extension of a price per unit, that is then advertised, posted, marked, displayed, or quoted for that commodity, in violation of Business and Professions Code section 12024.2; and,
- C. Using a point-of-sale system to sell goods to consumers in California, and failing to ensure that the price of each good to be paid by the consumer is conspicuously displayed to the consumer at the time that the price is interpreted by the system in violation of Business and Professions Code section 13300.

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1 4. Pursuant to Business and Professions Code sections 17203 and 17535, Defendants
2 are hereby ordered for a period of four (4) years, commencing on the date on which this judgment
3 is filed, to initiate and enforce in every existing and future store in California owned or controlled
4 by Defendants the following program:

5 A. Defendants shall designate a managerial employee with responsibility for at
6 least all of California to receive and maintain price audit information and
7 reports of inspections of Defendants' stores in California received from
8 California County or State Weights and Measures officials.

9 B. Whenever prices are changed in Defendants' stores, and within twenty four
10 (24) hours from when the price change occurs, the store manager shall walk
11 the sales floor of the store, shall remove expired store signs and
12 advertisements, and shall ensure that all items for which there has been a price
13 change have accurate signs indicating their prices.

14 C. On the day price changes are received in the store, a "Weekly Pricing Report"
15 containing a list of the downloaded prices shall be generated, dated and signed
16 by the store manager, and placed in a "Price Change Binder."

17 D. At least quarterly in each of Defendants' stores in California, the Regional
18 Director of Operations ("RDO"), with the assistance of other employees as
19 may be necessary, shall conduct a price audit of at least twenty (20) random
20 items. Pricing errors discovered during such audits shall be promptly corrected
21 in the store.

22 E. The RDO, with the assistance of other employees as may be necessary, shall
23 create a log of each audit, which shall be placed in the "Price Change Binder,"
24 and within one (1) month of the audit, a copy shall be forwarded to the
25 designated managerial employee.

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1 F. Defendants shall retain all Weekly Pricing Reports and audit logs for a period
2 of at least three (3) years from the date of the audit, and the reports and logs
3 shall be made available for inspection upon the reasonable request of any
4 representative of Plaintiffs, and any appropriate state official, including any
5 representative of the State of California Division of Measurement Standards,
6 Department of Food and Agriculture, or any representative of the County
7 Sealer or Director of a County Department of Agriculture.

8 **MONETARY RELIEF**

9 5. Pursuant to Business and Professions Code sections 17206 and 17535, Defendants
10 GOLDEN STATE SUPPLY LLC and WORLDWIDE AUTO PARTS, INC. shall jointly, on the
11 date of filing of this judgment, pay to Plaintiff penalties in the total amount of one hundred sixty
12 five thousand nine hundred seventy five dollars (\$165,975), in the form of two checks, each in the
13 amount of eighty two thousand nine hundred eighty seven dollars and fifty cents (\$82,987.50)
14 payable to the "San Diego District Attorney's Office," and the "San Diego City Attorney's
15 Office."

16 6. Defendants GOLDEN STATE SUPPLY LLC and WORLDWIDE AUTO PARTS,
17 INC. shall jointly, on the date of filing of this judgment, pay to Plaintiff *cy pres* restitution in the
18 total amount of thirty thousand dollars (\$30,000), payable in two checks as follows: fifteen
19 thousand dollars (\$15,000) to the "San Diego County Weights & Measures;" and fifteen thousand
20 dollars (\$15,000) to the "California Department of Food and Agriculture, Division of
21 Measurement Standards."

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1 7. Defendants GOLDEN STATE SUPPLY LLC and WORLDWIDE AUTO PARTS,
2 INC. shall jointly, on the date of filing of this judgment, pay to Plaintiff consumer agency costs
3 totaling \$46,740.40, by checks made payable as follows:

4 San Diego District Attorney	\$ 15,000.00
5 San Diego City Attorney	\$ 15,000.00
6 CDFA Division of Measurement Standards	\$ 4,935.00
7 Riverside County Weights & Measures	\$ 2,005.80
8 San Bernardino County Weights & Measures	\$ 924.00
9 San Diego County Weights & Measures	\$ 5,718.63
10 Santa Barbara County Weights & Measures	\$ 1,010.00
11 Santa Clara County Weights & Measures	\$ 1,062.21
12 Sonoma County Weights & Measures	\$ 1,084.76

13 All checks shall be delivered to the attention of Deputy District Attorney Gina Darvas at
14 the San Diego District Attorney's Office, 330 W. Broadway, Suite 750, San Diego, California,
15 92101.
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17 **RETENTION OF JURISDICTION**

18 8. Jurisdiction is retained for the purpose of enabling any party to this Judgment to apply
19 to the Court at any time for such further orders and directions as may be necessary and
20 appropriate for the construction or carrying out of this Judgment, for the modification of any of its
21 injunctive provisions, and for the enforcement of, compliance with, and punishment of violations
22 of the Judgment.

23 9. All allegations as to Does 1 through 10, inclusive, are dismissed.

24 10. The clerk is directed to immediately enter this Judgment.

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26 Dated: FEB 23 2012 MARGIE G. WOODS
27 Judge of the Superior Court