



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

Karen Ross, Secretary

October 13, 2015

DMS NOTICE
QC - 15 - 07
DISCARD: RETAIN

TO: WEIGHTS AND MEASURES OFFICIALS

SUBJECT: Settlement – Genuine Parts Company, a Georgia Corporation, dba NAPA Auto Parts

Enclosed is a copy of the Stipulated Final Judgment issued against Genuine Parts Company, a Georgia Corporation, dba NAPA Auto Parts. The case was filed on July 31, 2015, by the District Attorney's office of San Diego County in conjunction with the District Attorneys' offices of Alameda and Merced for overcharging consumers, in violation of California Business and Professions Code Section 12024.2.

The California Department of Food and Agriculture, Division of Measurement Standards (Department) worked with weights and measures investigators from over 20 counties on this case. The total settlement was for \$338,000. Civil penalties amounted to \$273,000 and agency costs were \$65,000. Additionally, Genuine Parts Company, a Georgia Corporation, dba NAPA Auto Parts was ordered to institute a compliance program for a period of three years starting 30 days from the date of entry of the present judgment that includes conducting regular price audits in the stores and the submission of a written report to the District Attorney's summarizing the business' internal audit activities for each year.

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

The Department appreciates the fine work done by the District Attorneys' Offices along with the state and county investigators that documented and caused to be prosecuted these violations. If you have any questions, please contact Katherine de Contreras, Supervising Special Investigator, Enforcement Branch at (916) 229-3047, or katherine.decontreras@cdfa.ca.gov.

Sincerely,

Kristin J. Macey
Director

Enclosure

cc: Gary Leslie, County/State Liaison, CDFA



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8 NANCY E. O'MALLEY, District Attorney
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13 *[Additional Attorneys for Plaintiff Listed on Following Page]*

14
15 Attorneys for Plaintiff the People of the State of California

16
17 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
18 **COUNTY OF SAN DIEGO**

19
20 THE PEOPLE OF THE STATE OF CALIFORNIA,
21 Plaintiff,

22 v.

23
24 GENUINE PARTS COMPANY, a Georgia
25 Corporation,
26 Defendant.

Case No. 37-2015-00025177-CU-BT-CTL

STIPULATED FINAL JUDGMENT

*Exempt from fees pursuant to
Govt. Code § 6103*

FILED

SAN DIEGO SUPERIOR COURT

JUL 31 2015

CLERK OF THE SUPERIOR COURT

BY: I. RAY

JUL 28 '15 AM 11:31

1 apply to the operations and activities of Defendant's stores in California that are wholly owned
2 and operated by Defendant in California. This Judgment is intended to apply to and shall
3 encompass all of Defendant's operations and activities at or by its wholly owned stores in
4 California, regardless of whether those stores are located in one of the counties representing the
5 People of the State of California in this action. Defendant shall, within five (5) business days of
6 its receipt of this Judgment, provide actual notice of this Judgment to its General Counsel and
7 any corporate officers overseeing Defendant's California operations, including any corporate
8 officers responsible for litigation, regulatory matters, operations, and pricing at Defendant's
9 California stores. This Judgment represents a full and final settlement and release of all claims
10 of the People of the State of California asserted in the Complaint against Defendant at any time
11 prior to the filing of this Stipulated Final Judgment within and throughout the State of
12 California.

13
14 **INJUNCTION**

15 3. Pursuant to Business and Professions Code section 17203, and as more fully set forth
16 in this Judgment, Defendant and all others described in paragraph 2 of this Judgment are
17 permanently enjoined and restrained from engaging, directly or indirectly, with respect to
18 Defendant's California stores, in the following acts or practices:

19 a. At the time of any sale of an item offered for sale at Defendant's California
20 stores, charging an improper price based on the lowest price posted on the item itself or on a
21 shelf tag that corresponds to the item, in violation of California Business and Professions Code
22 section 12024.2(a).

23 b. The provisions of this paragraph shall take effect on the date 90 days after the
24 date of entry of this Judgment.

25
26 **COMPLIANCE**

27 4. Defendant, and all persons and entities set forth in Paragraph 2 above, are ordered for
28 a period of three (3) years from the date of entry of this Judgment to maintain in effect, for its

1 stores in California that Defendant wholly owns and operates, a pricing accuracy program
2 designed to promote full compliance with the requirements of California Business and
3 Professions Code sections 12024.2 and 17200, as more specifically provided in paragraphs 5-7
4 of this Judgment.

5 5. Defendant shall conduct, or cause to be conducted, periodic and unannounced internal
6 audits of the pricing accuracy of its wholly owned and operated retail stores in California.
7 Defendant shall designate an employee, regional manager, or member of the regional director
8 managerial team, with oversight responsibility for Defendant's wholly owned and operated retail
9 stores in California, who shall be responsible for receiving and maintaining copies of the
10 internal audit results related to those stores, and any weights and measures inspection reports or
11 notices relating to Defendant's wholly owned and operated retail stores in California. The
12 employee, regional manager or designee shall also be responsible for ensuring full compliance
13 with all Defendant's pricing accuracy operating procedures throughout California.

14 6. Defendant shall provide Plaintiff the name of and the contact information for the
15 employee, manager or designee specially designated under paragraph 5 above within thirty (30)
16 calendar days of the entry of this Judgment, and shall, during the three-year period provided for
17 in paragraph 4, provide the name and contact information of any person who replaces the
18 manager originally designated, within thirty (30) calendar days of such assignment.

19 7. On March 31 of each calendar year covered by the three-year period provided for in
20 paragraph 4 of this Judgment, Defendant shall provide Plaintiff with a written report
21 summarizing the internal audit activities undertaken and reports prepared during the preceding
22 calendar year to comply with paragraphs 4 and 5 above. The first report, reflecting activities for
23 the period from the date of execution of this Judgment to the end of 2015 shall be due on
24 March 31, 2016. These reports and all other notifications required under this Judgment shall be
25 directed to Deputy District Attorney Stephen M. Spinella, San Diego County District Attorney's
26 Office, 330 W. Broadway, Suite 750, San Diego California, 92101, and said reports shall be
27 inadmissible for any purpose whatsoever in any courtroom whatsoever as these reports
28 constitute subsequent remedial measures and compromise negotiations pursuant to California

1 Evidence Code sections 1151, 1152, 1153, 1153.5 and 1154, and Federal Rules of Evidence,
2 Rules 407 and 408. Moreover, the parties agree that the substantive information within these
3 reports is also inadmissible for any purpose whatsoever in any courtroom whatsoever.
4 Defendant's own findings cannot be used against Defendant at all, for any purpose.

5 **DISCLAIMER OF ADMISSION OF LIABILITY**

6 8. This Judgment is not to be construed as an admission of liability by any party, or a
7 finding of liability against any party. This Judgment was entered into as a result of a stipulation
8 of the parties, without admissions or findings of fact or law, and without any admission by the
9 Defendant or by any party of liability, wrongdoing, illegality, or of any fact alleged in the
10 Complaint. To the extent permitted by law, all information and communications relating to the
11 negotiations of the settlement reflected in this Judgment shall remain confidential.

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13 **MONETARY RELIEF**

14 9. Defendant, or one of its agents acting on its behalf, shall, within thirty (30) days of
15 the date of the entry of this Judgment, make to Plaintiff payments in the total amounts of
16 \$65,000 for Plaintiff's investigation and prosecution costs and \$273,000 as civil penalties
17 pursuant to Business and Professions Code section 17206. Defendant, or one of its agents acting
18 on its behalf, shall pay the costs and civil penalties provided in this paragraph as follows:

19 (a) A check made payable to "San Diego County District Attorney's Office" in
20 the amount of \$100,594 (comprising \$91,000 in civil penalties and \$9,594 in costs);

21 (b) A check made payable to "Alameda County District Attorney's Office" in the
22 amount of \$95,595 (comprising \$91,000 in civil penalties and \$4,595 in costs);

23 (c) A check made payable to "Merced County District Attorney's Office" in the
24 amount of \$95,595 (comprising \$91,000 in civil penalties and \$4,595 in costs);

25 (d) A check made payable to "Consumer Protection Prosecution Trust Fund" in
26 the amount of \$1,216 (as reimbursement for investigative expenditures);

27 (e) Checks payable to the following Agricultural Sealers/Departments of Weights
28 and Measures and related agencies (as costs reimbursements) in the amounts specified here:

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- (1) To the County of Alameda, Office of Weights and Measures in the sum of \$336.32;
- (2) To the Contra Costa County Division of Weights and Measures in the sum of \$504.48;
- (3) To the County of Imperial in the sum of \$1,008.96;
- (4) To the Lassen County Department of Agriculture in the sum of \$672.64;
- (5) To the County of Los Angeles Department of Weights and Measures in the sum of \$10,425.92;
- (6) To the Madera County Department of Weights and Measures in the sum of \$581.17;
- (7) To the Marin County Department of Weights and Measures in the sum of \$168.16;
- (8) To the Orange County Department of Weights and Measures in the sum of \$168.16;
- (9) To the County of Riverside Agricultural Commissioner in the sum of \$3,699.52;
- (10) To the Sacramento County Department of Weights and Measures in the sum of \$168.16;
- (11) To the San Benito County Department of Weights and Measures in the sum of \$168.16;
- (12) To the San Bernardino Department of Weights and Measures in the sum of \$6,221.92;
- (13) To the County of San Diego Department of Agriculture, Weights and Measures in the sum of \$6,894.56;
- (14) To the San Joaquin County Department of Weights and Measures in the sum of \$168.16;
- (15) To the San Mateo County Department of Weights and Measures in the sum of \$1,008.96;

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- (16) To the Santa Barbara Department of Weights and Measures in the sum of \$672.64;
- (17) To the County of Santa Clara Department of Agriculture and Environmental Management in the sum of \$1,513.44;
- (18) To the Solano County Department of Agriculture in the sum of \$168.16;
- (19) To the Sonoma County Weights and Measures Division in the sum of \$1,008.96;
- (20) To the Stanislaus County Department of Agriculture and Weights and Measures in the sum of \$1,513.44;
- (21) To the California Department of Food & Agriculture in the sum of \$7,535.00;
- (22) To the California Agricultural Commissioners and Sealers Association in the sum of \$393.11 (as reimbursement of investigative expenses).

10. The payments required by this Judgment shall be delivered to Deputy District Attorney Stephen M. Spinella, San Diego County District Attorney's Office, 330 W. Broadway, Suite 750, San Diego, California, 92101.

RETENTION OF JURISDICTION

11. Jurisdiction is retained by the Court for the purpose of enabling any party to this Judgment to apply to the Court at any time for such further orders and directions as may be necessary and appropriate for the construction or carrying out of this Judgment, for the modification thereof, and for the enforcement of compliance with and the punishment of violations of the Judgment.

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12. The clerk is ordered to enter this Judgment immediately, and to provide notice to Plaintiff through counsel.

Dated: JUL 31 2015

GREGORY W. POLLACK

Judge of the Superior Court