



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

Karen Ross, Secretary

January 14, 2015

DMS NOTICE
P-15-01R
DISCARD: RETAIN

TO: WEIGHTS AND MEASURES OFFICIALS

SUBJECT: Settlement – Chevron U.S.A. Inc. (“Chevron”), a Pennsylvania Corp.

Enclosed is a copy of the Final Judgment and Injunction Pursuant to Stipulation issued against Chevron U.S.A. Inc. (“Chevron”), operating in California under the name Chevron. The case was filed on July 1, 2014, by the District Attorney’s Office of Orange County for distributing, selling or offering for sale non-conforming gasoline engine fuels for use in automotive engines, violations of California Business and Professions Code (BPC) sections 13441, 13413(a), unfair competition (BPC section 17200), and false and misleading advertising (BPC section 17500).

The California Department of Food and Agriculture, Division of Measurement Standards (Department) worked with Orange County weights and measures officials on this case. The total settlement was for \$298,000.00. Civil penalties amounted to \$222,036.00 to the Orange County District Attorney’s Office, agency costs of \$35,964, and \$40,000.00 of *cy pres* restitution for the Department to use for laboratory analytical equipment and training.

Orange County should be sure to report these penalties on the County Monthly Report.

The Department appreciates the fine work done by the Orange County District Attorney’s office along with the state and county investigators that documented and caused to be prosecuted these violations. If you have any questions, please contact Andrea Alley, Supervising Special Investigator, Petroleum Enforcement at (916) 229-3000, or aalley@cdfa.ca.gov.

Sincerely,

Kristin J. Macey
Director

Enclosure

cc: Gary Leslie, County/State Liaison, CDFA



1 TONY RACKAUCKAS, DISTRICT ATTORNEY
2 COUNTY OF ORANGE, STATE OF CALIFORNIA
3 BY: MICHELLE CIPOLLETTI
4 Deputy District Attorney
5 State Bar Number 167191
6 POST OFFICE BOX 808
7 SANTA ANA, CALIFORNIA 92702
8 TELEPHONE: (714) 834-3600

9
10 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
11 IN AND FOR THE COUNTY OF ORANGE, CENTRAL JUSTICE CENTER

12 THE PEOPLE OF THE STATE OF CALIFORNIA,

13 Plaintiff,

14 vs.

15 CHEVRON U.S.A., a Pennsylvania Corporation

16 Defendant

Case No. 30-2014-00747677-cv
BT-CJC
FINAL JUDGMENT AND
INJUNCTION PURSUANT TO
STIPULATION

Judge Linda MARKS

17
18 Pursuant to a stipulation between the parties, THE PEOPLE OF THE STATE OF
19 CALIFORNIA ("Plaintiff"), by and through Tony Rackauckas, District Attorney of the County
20 of Orange, and Michelle Cipolletti, Deputy District Attorney, and Defendant CHEVRON
21 U.S.A. INC., a Pennsylvania Corporation (hereinafter "Defendant"), appearing through its
22 attorneys Steptoe & Johnson, LLP, by Lawrence P. Riff, have agreed to resolve this action and
23 all issues raised by the Complaint without litigation. Accordingly, Plaintiff and Defendant
24 have further stipulated that this Final Judgment Pursuant to Stipulation (hereinafter referred to
25 as "Final Judgment") may be entered without taking any evidence, without any admission of
26 liability or fault by defendants, and without trial or adjudication of any issue of law or fact.
27 The parties will be deemed to have waived their right of appeal upon entry of the Order in the
28 form provided, and to have approved the Final Judgment as to form and content.

FINAL JUDGMENT AND INJUNCTION PURSUANT TO STIPULATION

1 Based on such stipulation and for good cause appearing,

2 IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

3 JURISDICTION

4 1. This Court has jurisdiction over the parties to and the subject matter of this
5 lawsuit, venue in this Court is proper, and this Court has jurisdiction to enter this Judgment

6 APPLICABILITY

7 2. The injunctive provisions of this Judgment, and all references to Defendant in
8 the injunctive provisions of this Judgment apply to Defendant Chevron U.S.A. Inc., its officers,
9 directors, employees, and successors in interest.

10 INJUNCTION

11 3. Effective upon entry of this Judgment, Defendant and applicable parties as
12 described in paragraph 2, are hereby enjoined and restrained from the following acts or
13 practices:

14 A. Delivering and/or selling, and/or offering for sale, and/or assisting in the
15 sale of any nonconforming petroleum product in violation of California Business and
16 Professions Code Section 13441.

17 B. Misrepresenting either affirmatively, or by omission, the quality of a
18 petroleum product during the sale and/or offer for sale and/or delivery of such product in
19 violation of California Business and Professions Code Section 13413(a).

20 C. Knowingly representing that a petroleum product has characteristics, uses
21 and/or benefits that it does not have in violation of California Civil Code Section
22 1770(a)(5).

23 D. Knowingly representing that a petroleum product is of a particular
24 standard, quality, or grade when it was not, in violation of California Civil Code Section
25 1770(a)(7).

26 E. Intending to mislead consumers with the intent to induce purchase of a
27 petroleum product, by representing such petroleum product is fit for its intended purpose
28 when Defendant knows, or should know, it contains any contaminant in a concentration

1 that could damage the engine of a car, in violation of California Business and Professions
2 Code Section 17500

3 4. Any successor statute or renumbered statute will have the same force and effect as
4 the statutes cited in this Final Judgment.

5 QUALITY CONTROL PROGRAM

6 5. Defendant shall maintain a quality control program designed to meet the
7 obligations of Paragraph 3.

8 6. Within 30 days of the entry of this Final Judgment, Defendant shall provide to
9 Plaintiff its written procedure for notifying The Department of Measurement Standards regarding
10 the existence of non-conforming petroleum products offered for sale at any of Defendant's gas
11 stations in Orange County, California. Such policy shall include the timeframe(s) in which the
12 Defendant shall so notify the Department of Measurement Standards.

13 CIVIL PENALTIES COSTS AND CY PRES

14 7. Within fifteen (15) business days following execution of this Judgment,
15 Defendant shall pay a total of \$298,000.00 (TWO HUNDRED AND NINETY EIGHT
16 THOUSAND DOLLARS) in separate checks as follows:

17 A. Civil penalties in the amount of TWO HUNDRED TWENTY TWO
18 THOUSAND THIRTY SIX DOLLARS (\$222,036.00) pursuant to Business and Professions
19 Code sections 17206 and 17536, payable to The "Treasurer of The County of Orange".

20 B. Costs of investigation of THIRTY FIVE THOUSAND NINE HUNDRED
21 AND SIXTY FOUR DOLLARS (\$35,964.00) as follows:

22 1. Division of Measurement Standards: \$34,200.00, payable to The
23 Cashier of the Department of Food and Agriculture, Division of Measurement Standards, PCA
24 Code 55001, and

25 2. Orange County Weights & Measures: \$1,764.00 payable to
26 Orange County Treasurer.

27 C. *Cy pres* restitution in the sum of FORTY THOUSAND DOLLARS
28 (\$40,000.00), payable to The Cashier of the Department of Food and Agriculture, Division of

1 Measurement Standards, PCA Code 55001. This sum is to be paid pursuant to California Civil
2 Code Sections 17203 and 17535 recognizing the infeasibility of identifying the consumers who
3 may have suffered loss, but never complained, the impracticality of providing direct restitution to
4 said consumers, and the disproportionate cost of making restitution to said individual consumers.
5 TWENTY THOUSAND DOLLARS of this sum shall be used by DMS on additional equipment
6 for laboratory analysis and training in Sacramento and/or statewide, and half of these funds, or
7 TWENTY THOUSAND DOLLARS shall be used by DMS on equipment needed for testing
8 petroleum and/or automotive products at the Anaheim laboratory.

9 8. All payments made pursuant to this Judgment are to be hand delivered to the
10 following address:
11 Orange County District Attorney's Office
12 Consumer Protection Unit
13 801 Civic Center Drive West
14 Santa Ana, California 92701-4575
15 Attention: DDA MICHELLE CIPOLLETTI OR JOSEPH D'AGOSTINO

16 ADDITIONAL PROVISIONS

17 9. This Judgment fully and finally resolves only those matters specifically set forth
18 in the allegations of the Complaint filed in this action, for conduct that occurred prior to the entry
19 of this Judgment.

20 10. Nothing in this Judgment may be construed as relieving Defendant of its
21 obligation to comply, or as prohibiting Defendant from complying, with all applicable local, state
22 and federal laws, regulations or rules, nor may any of the provisions of this Judgment be deemed
23 to be permission to engage in any acts or practices prohibited by any applicable law, regulation
24 or rule.

25 11. The duration of the injunction is three years from date of entry of the Judgment.

26 12. Any notices or communications required to be transmitted between Defendant and
27 Plaintiff pursuant to this Judgment must be provided in writing by first class mail, overnight
28 delivery, or personal delivery to the parties or their successors as follows:
To Plaintiff.

1 Orange County District Attorney's Office
2 Consumer Protection Unit
3 801 Civic Center Drive West
4 Santa Ana, California 92701-4575
5 Attention: DDA Michelle Cipolletti

6 To Defendant:

7 Chevron U.S.A. Inc.
8 c/o The Prentice-Hall Corporation System, Inc.
9 2730 Gateway Oaks Dr., Suite 100
10 Sacramento, CA 95833
11 Attention: Frank Soler, Jr., Assistant Secretary

12 With a copy to:

13 Steptoe & Johnson LLP
14 633 West Fifth Street, Suite 700
15 Los Angeles, CA 90071
16 Attention: Lawrence P. Riff

17 13. Any notices provided pursuant to the requirements of this Judgment will be
18 deemed provided five business days after mailing by first class mail or one business day after
19 overnight delivery, or personal delivery.

20 14. The terms and enforcement of this Judgment are governed by the laws of the State
21 of California, and proper venue is the Superior Court of California, County of Orange, Central
22 Justice Center.

23 JURISDICTION RETAINED

24 15. Jurisdiction is retained for the purpose of enabling any party to this Judgment to
25 apply to the Court, pursuant to a duly noticed motion, for such further order and directions as
26 may be necessary and appropriate for the construction of or the carrying out of this Judgment,
27 including for any modification of its injunctive provisions, for the enforcement of compliance
28 therewith, and for punishment of violations thereof.

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EFFECT AND ENTRY

16. The Clerk is ordered to enter this Final Judgment and Permanent Injunction.

DATED: 12/24/2014

LINDA S. MARKS
JUDGE OF THE SUPERIOR COURT