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 section17500).

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

TONY RACKAUCKAS, DISTRICT ATTORNEY
COUNTY OF ORANGE, STATE OF CALIFORNIA
BY: MICHELLE CIPOLLETTI
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IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF ORANGE, CENTRAL JUSTICE CENTER

THE PEOPLE OF THE STATE OF CALIFORNIA. Plaintiff, vs. CHEVRON U.S.A., a Pennsylvania Corporation Defendant	Case No.: 30-2014-00743677-CU-BT-CJC FINAL JUDGMENT AND INJUNCTION PURSUANT TO STIPULATION Judge Linda Marks

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

Based on such stipulation and for good cause appearing,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

JURISDICTION

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

APPLICABILITY

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

INJUNCTION

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

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

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

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

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

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

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

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

QUALITY CONTROL PROGRAM

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

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

CIVIL PENALTIES COSTS AND CY PRES

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

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

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

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

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

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

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

8. All payments made pursuant to this Judgment are to be hand delivered to the following address:

Orange County District Attorney's Office
Consumer Protection Unit
801 Civic Center Drive West
Santa Ana, California 92701-4575

Attention: DDA MICHELLE CIPOLLETTI OR JOSEPH D'AGOSTINO

ADDITIONAL PROVISIONS

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

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

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

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

To Plaintiff:

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

To Defendant:

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

With a copy to:

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

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

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

JURISDICTION RETAINED

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

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