

December 20, 2021

DMS NOTICE P - 21 -02 DISCARD: RETAIN

TO: WEIGHTS AND MEASURES OFFICIALS

SUBJECT: Settlement – Inter-State Oil Co. Inc., a California Company

Enclosed is a copy of the Superior Court of the State of California, County of Sacramento, Final Judgment and Permanent Injunction Pursuant to Stipulation issued against Inter-State Oil Co. Inc., ("Inter-State"). This case was filed on November 18, 2021, by the District Attorney's Offices of Sacramento County and Shasta County. This judgement is a permanent injunction relief for a period of five years under Business and Professions Code (BPC) §17203- Injunctive Relief-Court Orders. Inter-State is enjoined and restrained from failing to comply with any of the following legal requirements at any facility Inter-State owns and/or operates: Labeling requirements under the following BPC §§ 13710(b), 13710(c)(2), 13710(c)(3), 13710(c)(4), 13710(d), 13711(c)(1), and for the product quality standards of BPC §§ 13482(a) and 13482(b). Furthermore, Inter-State must comply with BPC § 13593 regarding inspections, BPC § 13595 to abide by any "off-sale" determination, and BPC § 13599 regarding the relabeling of containers without first removing the incorrect label.

The California Department of Food and Agriculture, Division of Measurement Standards (CDFA-DMS) Investigators conducted a multi-county, twelve-month long investigation of Inter-State Oil Co. Inc. that included sampling their products at various locations throughout the state and analyzing them, which led to this judgement and permanent injunction.

This Final Judgement and Permanent Injunction Pursuant to Stipulation requires that Inter-State undertake their own testing program of products they sell or offer to sell. Their testing program is required to be a biannual audit of a representative sample for compliance with the specifications and standards set forth by CDFA-DMS. Inter-State must arrange with CDFA-DMS or an independent laboratory certified for fuel and lubricant analysis to sample and test each grade or type of lubricant offered for sale in bulk and individual containers. Inter-State is responsible for the costs associated with the sampling and testing of these products. Inter-State is required to repeat this audit procedure at least twice per year at approximately 6-month intervals.

The total settlement was for \$175,000 to be distributed as follows: Civil Penalties in the amount of \$105,000, payable in equal amounts of \$52,500 to the Offices of the District Attorneys for Sacramento County and Shasta County who represented the People in this action; an additional amount of \$11,825 each to the Offices of the District Attorneys of Sacramento County and Shasta County for investigative costs; and investigative costs of \$46,350 made payable to CDFA-DMS.

The Department recognizes and appreciates the excellent work performed by the Offices of the District Attorneys in Sacramento County and Shasta County, and acknowledges CDFA-DMS Special Investigator Juan Pitta for his investigation, diligence, and dedication that documented and caused to be prosecuted these violations.

If you have any questions, please contact John Larkin, Supervising Special Investigator, CDFA-DMS Enforcement Branch at (916) 229-3000 or john.larkin@cdfa.ca.gov.

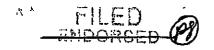
Sincerely,

Kristin Macey Director

Kristin Macey

Enclosure

cc: Hyrum Eastman, County/State Liaison, CDFA



Anne Marie Schubert
District Attorney of Sacramento County
DOUGLAS WHALEY, SBN 144557
Supervising Deputy District Attorney
Consumer and Environmental Protection Division
906 G Street, Suite 700
Sacramento, CA 95814
Telephone: (916) 874-6174

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LAW AND MOTION DEPT.59/64
SUPERIOR COURT
OF CALIFORNIA
SACRAMENTO OBUNTY

Attorneys for Plaintiff, The People of the State of California

Additional Counsel listed as signatories

SUPERIOR COURT OF THE STATE OF CALIFORNIA COUNTY OF SACRAMENTO

THE PEOPLE OF THE STATE OF CALIFORNIA,

Case No. 34-2021-00310067

The PEOPLE OF THE STATE OF CALIFORNIA, appearing through its

attorneys:; Anne Marie Schubert, District Attorney of Sacramento County; Stephanie A. Bridgett,

District Attorney of Shasta County; and INTER-STATE OIL CO. Inc., a California Corporation

("Defendants") appearing through their attorney Michael Abrate, Esquire, have entered into a

CALIFORNIA,

V.

Plaintiff,

FINAL JUDGMENT AND PERMANENT INJUNCTION (Proposed)

INTER-STATE OIL CO, INC.,

Defendants.

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Stipulation for this Final Judgment and Permanent Injunction ("Stipulation") and have thereby agreed to entry of this Final Judgment and Permanent Injunction ("Final Judgment") without the taking of proof and without the Stipulated Final Judgment constituting evidence of an admission by any party regarding any issue of fact or law alleged in the Complaint, and Defendants having waived the right to appeal, and good cause appearing,



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1. The Parties generally appearing before the Superior Court of California, County of Sacramento, have subject matter jurisdiction over the matters alleged in this action and personal jurisdiction over the Parties to this Final Judgment, and the Superior Court for the County of Sacramento is the proper venue for this action.

JURISDICTION AND VENUE

DEFINITIONS

- 2. Except where otherwise expressly defined in this Final Judgment, the definitions set forth in the following statutory schemes and all regulations issued pursuant thereto, shall apply to the technical terms used herein: the Business and Professions Code Division 5 Weights and Measures; Chapter 1 General Provisions, Chapter 14 Fuels and Lubricants, and Chapter 15 Automotive Products; and, sections 17200 et seq. of the Business and Professions Code.
 - a. ""Facility" or "Facilities" mean the business locations listed in Exhibit A within the State of California that Defendants formerly or currently own or operate, or any respective successor corporation or assignee, own or operate subsequent to the effective date of this Final Judgment.

INJUNCTION

Applicability

3. The provisions of this injunction are applicable to Defendants, their successors and assigns, their agents, representatives, officers, directors, managers, subsidiaries, and to all persons, employees, and corporations and other entities acting under, by, through or on behalf of, or in concert with Defendants with actual or constructive knowledge of this Final Judgment.

Compliance with Applicable Statutes, and Regulations

4. Pursuant to the provisions of Business and Professions Code Section 17203, Defendants are permanently enjoined and restrained from violating Chapters 14 and 15 of Division 5 of the Business and Professions Code.

Specific Injunctive Provisions

5. Pursuant to the provisions of Business and Professions Code Section 17203,

Defendants are enjoined and restrained from failing to comply with any of the following legal requirements at any Facility Defendants own and/or operate:

Labeling Requirements

- a. Defendants shall at all times have access to a current and valid source of documentation for all claims made on all labels and containers sold or offered for sale at its Facilities and provide the same to any investigator with the California Department of Food and Agriculture Division of Measurement Standards, or County Sealer, upon request as set forth in Business and Professions Code sections 1346 and 13710(d).
- b. Defendants shall comply with Business and Professions Code section 13480 regarding labeling requirements for all products sold, offered for sale, or stored or stocked for sale at its facilities in that there is affixed to each container, receptacle, pump, dispenser, and inlet end of the fill pipe of each underground storage tank, from which or into which that product is drawn or poured out for sale or delivery, a sign or label plainly visible consisting of the name of the product, the brand, trademark, or trade name of the product, and, in the case of motor vehicle fuel and kerosene, the grade or brand name designation. When the product is a lubricant, as defined by Section 13400, each sign or label shall also have in letters or numerals, plainly visible, the viscosity grade classification as determined in accordance with the SAE International latest standard for engine oil viscosity classification SAE J300 or manual transmission and axle lubricants viscosity classification SAE J306, as applicable, and shall be preceded by the letters "SAE."
- c. Defendants shall comply with Business and Professions Code section 13482(a) in that they will not sell, offer to sell, or distribute, engine oil or lubricant unless both of the following are met:
 - i. The product conforms to a minimum of one active API classification pursuant to the latest revision of SAE J183 "Engine Oil Performance and Engine Service Classification," a minimum of one active sequence of the European Automobile Manufacturers' Association (ACEA) "European Oil Sequences specification," or a minimum of one active OEM specification.

- ii. The API classification or ACEA sequence or OEM specification and SAE J300 viscosity grade is conspicuously marked on each container or, if provided in bulk, properly described in product transfer documents.
- d. Defendants shall comply with Business and Professions Code section 13482(b) in that Defendants will not sell, offer to sell, or distribute axle and manual transmission lubricant unless it conforms to an SAE J306 viscosity grade.
- e. Defendants shall comply with Business and Professions Code section 13710(b) in that they shall not sell, offer to sell, or distribute any transmission fluid that does not meet the requirements for the specifications listed on the label of the container of transmission fluid.
- f. Defendants shall comply with Business and Professions Code section 13710(b) in that they shall not sell, offer to sell, or distribute, any transmission fluid that does not list on the label of the transmission fluid container, all types of transmissions for which the fluid is intended.
- g. Defendants shall comply with Business and Professions Code section 13711(c)(1) in that they shall not sell, offer to sell, or distribute, any transmission fluid that does not bear a label on which is printed the brand name, the name and place of business of the manufacturer, packer, seller, or distributor, the words "Transmission Fluid", and the duty type classification.
- h. Defendants shall comply with Business and Professions Code section 13711(c)(2) in that they shall not sell, offer to sell, or distribute, any transmission fluid that does not bear a label on which is printed an accurate statement of the quantity of the contents in terms of liquid measure.
- i. Defendants shall comply with Business and Professions Code section 13711(c)(3) in that they will not sell, offer to sell, or distribute any transmission fluid which has affixed any label that is in any way false or misleading.
- j. Defendants shall comply with Business and Professions Code section 13711(c)(4) in that they shall not sell, offer to sell, or distribute, any transmission fluid with a label on the container and carton that does not bear information that identifies the container lot or batch.

k. Defendants shall comply with the requirements of Business and Professions' Code section 13593 in that they will allow inspection and sampling of product by investigators with the California Department of Food and Agriculture Division of Measurement Standards.

l. Defendants shall comply with the requirements of Business and Professions Code section 13595 in that they will comply with and abide by any "off sale" determination or order issued by investigators with the California Department of Food and Agriculture Division of Measurement Standards.

m. Defendants shall comply with the requirements of Business and Professions Code section 13599 in that no container, receptacle, pump or storage tank connected thereto, or the inlet end of the fill pipe of such storage tank, shall, however, be relabeled by Defendants, whether under the provisions of this article or otherwise, without first removing from such container, receptacle, pump or storage tank connected thereto, or the inlet end of the fill pipe thereof, all distinctive colors, brands, trademarks or trade names thereon.

n. Defendants shall undertake their own testing program of products Defendants sell or offer to sell. This program shall consist of a biannual audit of a representative sample of products offered for sale by Defendants for compliance with specifications and standards set for the products by the California Department of Food and Agriculture Division of Measurement Standards (CDFA). Within 3 months of entry of judgment, Defendants shall arrange with the CDFA, or another independent laboratory certified for fuel and lubricant analysis to have sampled and tested each grade or type of lubricant offered for sale both in bulk quantities and individual containers. The analysis shall determine whether the products are in compliance with the specifications and standards then published for the product type by the CDFA. Defendants shall be responsible for the cost the sampling and testing of the products, and in the event of testing by CDFA shall pay the ordinary and customary cost of such testing. Defendants shall repeat this audit procedure at least twice a year at approximately 6-month intervals for the duration of this injunctive provision.

o. In the event that Defendant becomes aware that it has supplied customers with a product that is adulterated, misbranded, or nonconforming Defendants shall notify all customers

whom Defendants know, or reasonably believe (based upon notice provided by Defendants' suppliers, or state or local regulators; and upon reviews of testing, inspections, supplier or brand name and type, batch or lot numbers, and delivery dates of the product) may have been, provided adulterated, misbranded, or nonconforming products. This notice shall include; 1) the product or products involved, 2) the nature of the defect, and 3) the procedure whereby Defendants will recall and replace the product. This notice shall be given as soon as practicable after the defect is discovered, and in no event shall be more than 3 business days from the date of discovery of the defect. This notice shall be in writing to the principal place of business of the affected customer.

p. In the event that Defendant becomes aware that it has supplied customers with a product that is adulterated, misbranded, or nonconforming, Defendant shall begin the process of recalling and replacing all such known products supplied to its customers and removing from sale any such products at its facilities.

q. In the event that Defendant becomes aware that it has stocked, offered for sale, or supplied customers with a product that is adulterated, misbranded, or nonconforming, Defendants shall notify CDFA in writing of 1) the product or products involved, 2) the nature of the defect and 3) the date of the discovery of the defect. Such notice shall be made within 3 business days of Defendants discovery of the defect.

CIVIL PENALTIES AND COSTS

6. Upon entry of this Final Judgment, Defendants shall be liable for the total settlement amount of one hundred seventy-five thousand (\$175,000.00) dollars, as set forth below. All payments made pursuant to this Final Judgment shall be made by cashier's check to the payees listed and, delivered to the Sacramento County District Attorney's Office, 906 G Street, Suite 700, Sacramento, CA 95814, to the attention of DDA Douglas Whaley, for distribution pursuant to the terms of this Final Judgement.

a. Civil Penalties

Within five (5) business days after notice of entry of this Final Judgment is served upon Defendants or by November 1, 2021, whichever is later, Defendants shall pay one hundred five

thousand dollars (\$105,000.00) as civil penalties. Payment shall be made by two separate checks each in the amount of fifty-two thousand, five hundred dollars (\$52,500.00) payable to the Office of the District Attorney for Sacramento and Shasta counties pursuant to Business and Professions Code section 17203 and Government Code section 26506.

b. Reimbursement of Costs of Investigation and Enforcement:

Within five (5) business days after notice of entry of this Final Judgment is served upon Defendants or by November 1, 2021, whichever is later, Defendants shall pay \$70, 000.00 for reimbursement of costs of investigation and enforcement. Defendant shall pay forty-six thousand three hundred and fifty dollars thousand dollars (\$46,350.) for reimbursement of costs of investigation, and other costs of enforcement to the California Department of Food and Agriculture Division of Measurement Standards. Defendants shall also pay by separate cashier's checks eleven thousand eight hundred twenty-four dollars and fifty cents (\$11,825) each, to the Office of the District Attorney for Sacramento and Shasta counties for partial reimbursement of costs of investigation, attorney's fees and other costs of enforcement.

ENFORCEMENT OF FINAL JUDGMENT

- 7. The People may move this Court for additional relief for violation of any provision of this Final Judgment, including but not limited to, contempt, additional injunctive remedies, or additional penalties. Nothing in this Final Judgment shall limit any rights of the People to seek any other relief or remedies provided by law.
- 8. The Court shall retain continuing jurisdiction to enforce the injunctive terms of this Final Judgment and to address any other matters arising out of or relating to the injunctive provisions this Final Judgment.

MATTERS RESOLVED BY THIS FINAL JUDGMENT

9. This Final Judgment is a final and binding resolution and settlement of the claims, violations and causes of action occurring at the defendants' facilities listed in Exhibit A and alleged by the People in the Complaint in this matter, through the date of filing of this Final Judgment which shall be known as "Covered Matters." Any claim, violation, or cause of action that is not a Covered Matter is a "Reserved Claim."

10. Reserved Claims include, without limitation: any violation that occurs after the filing of this Final Judgment; any claim, violation, or cause of action against independent contractors or subcontractors retained to do work for Defendants; and separate and independent violations arising out of matters or allegations that are not set forth in the Complaint, whether known or unknown.

- 11. Nothing in this Final Judgment is intended nor shall it be construed to preclude the People, or any state, county, city, or local agency, department, board or entity, from exercising its authority under any law, statute or regulation. Furthermore, nothing in this Final Judgment shall be construed to excuse Defendants from compliance with any applicable statutes, regulations, local ordinances or permitting requirements or any other law or applicable requirement.
- 12. Defendants covenant not to pursue any civil or administrative claims against the People or against any agency of the State of California, or any county or city in the State of California, (collectively, "Agencies"), or against any of their officers, employees, representatives, agents, or attorneys, arising out of or related to any Covered Matter and arising before entry of this Final Judgment; provided, however, that if any Agencies initiate claims against Defendants, Defendants retain any and all rights and defenses against such Agencies.

NO WAIVER OF RIGHT TO ENFORCE

13. The failure of the People to enforce any provision of this Final Judgment shall neither be deemed a waiver of such provision nor in any way affect the validity of this Final Judgment. Except as expressly provided in this Final Judgment, the failure of the People to enforce any such provision shall not preclude them from later enforcing the same or any other provision of this Final Judgment. Except as expressly provided in this Final Judgment, Defendants retain all defenses to any such later enforcement action.

INTEGRATION

14. The failure of the People to enforce any provision of this Final Judgment shall neither be deemed a waiver of such provision nor in any way affect the validity of this Final Judgment. The failure of the People to enforce any such provision shall not preclude it from later enforcing the same or any other provision of this Final Judgment. No oral advice, guidance, suggestion or comment by

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employees or officials of any Party regarding matters covered in this Final Judgment shall be construed to relieve any Party of its obligations under this Final Judgment.

FUTURE REGULATORY CHANGES

15. Nothing in this Final Judgment shall excuse Defendants from meeting any more-stringent requirement that may be imposed by applicable existing law or by any change in the applicable law. To the extent any future statutory or regulatory change makes Defendants' obligations less stringent than those provided for in this Final Judgment, Defendants' compliance with the changed law shall be deemed compliance with this Final Judgment; however, any change in law or regulation shall not reduce or diminish Defendants' obligations to comply with Paragraph [Mandatory Injunctive Terms] above.

NOTICES

16. Unless otherwise specified in this Final Judgment, all notices under this Final Judgment shall be made in writing, by both email and mail, and addressed to the persons identified in **Exhibit B**. Any Party may, by written notice to the other Parties, change its designated notice recipient or notice address.

INCORPORATION OF EXHIBITS

17. Exhibits "A" through "B" are incorporated herein by reference.

MODIFICATION

18. The injunctive provisions of this Final Judgment may be modified only on noticed motion by one of the parties with approval of the Court, or upon written consent by all of the Parties and the approval of the Court.

ABILITY TO INSPECT AND COPY RECORDS AND DOCUMENTS

19. Defendants shall permit any duly authorized representative of the People to inspect and copy records and documents relevant to determine compliance with the terms of this Final Judgment. This paragraph shall not limit the People's authority to access or obtain information records and documents pursuant to any other statute or regulation.

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PAYMENT OF LITIGATION EXPENSES AND FEES

20. Defendants shall make no request of the People to pay its attorney fees, expert witness fees and costs, or any other costs of litigation or investigation incurred to date.

INTERPRETATION

21. This Final Judgment was drafted by both Parties. The Parties agree that the rule of construction holding that ambiguity is construed against the drafting party shall not apply to the interpretation of this Final Judgment.

TERMINATION OF PERMANENT INJUNCTION

22. At any time after this Final Judgment has been in effect for Three (3) years, and Defendants have complied with all injunctive provisions and paid and expended all amounts required under the Final Judgment, Defendants may move to terminate the injunctive provisions in Paragraph 5n pursuant to Code of Civil Procedure section 533 and Civil Code section 3424. At any time after this Final Judgment has been in effect for five (5) years, and Defendants have complied with all injunctive provisions and paid and expended all amounts required under the Final Judgment, Defendants may move to terminate the injunctive provisions in Paragraphs 4 and 5 pursuant to Code of Civil Procedure section 533 and Civil Code section 3424. Upon notice to the People by Defendants of their intention to file a motion to terminate the injunctive provisions as described herein, the parties shall meet and confer prior to Defendants filing any such motion to determine whether Defendants have complied with all terms of this judgment. If the parties determine that Defendants have fully complied with the judgment, the parties may proceed by way of stipulation rather than a defense motion pursuant to Paragraph 18 of this judgment. After this Final Judgment has been in effect for seven (7) years, and Defendants have complied with all injunctive provisions paid and expended all amounts required under the Final Judgment, the injunctive provisions in Paragraphs 4 and 5 will terminate automatically.

EFFECTIVE DATE OF FINAL JUDGMENT

23. This Final Judgment shall become effective upon entry and Notice of Entry of Judgment is waived.

IT IS SO ORDERED.

nated:	NOV	1	8	2021
Jarea:	1101		Ψ.	ZUZI

SHAMA H. MESIWALA

JUDGE OF THE SUPERIOR COURT

EXHIBIT A Covered Facilities

3609 Bag	gley Avenu	e Fresno,	CA	93725
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	2940 Arcade	Wav	Redding.	CA	96002
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8221	Alpine	Avenue	Sacramento,	CA	95826
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183 West Mair	n Street V	Moodland.	California	9569

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1	EXHIBIT I NOTICE
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3	For the People:
5	Douglas Whaley Supervising Deputy District Attorney
6 7 8	Sacramento District Attorney's Office 906 G Street, Suite 700, Sacramento, CA 95814 Whaleyd@sacda.org
9	For Defendants:
10	Brent Andrews
11	Chief Executive Officer Interstate Oil Co.
12 13	8221 Alpine Avenue, Sacramento, CA 95826 bandrews@interstateoil.com
14 15	Michael Abrate Counsel for Interstate Oil Co.
16	Abrate and Olsen 655 University Avenue, #230, Sacramento, CA 95823 mike@abrateandolsen.com
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Oct 28, 2021

Remitter

Inter State Oil Co

Memo

PAY TO THE ORDER OF

Ca Department of Food & Agriculture Dept. of Measurement Standards

\$46,350.00

Pay Exactly Forty Six Thousand Three Hundred Fifty and 00/100****

CASHIER'S CHECK

NOTICE TO CUSTOMER
As a condition to this institution's issuance of this check, purchaser agrees to provide an indefinally bond prior to the refund or replacement of this check in the event it is lost, mispleced, or stolen.

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