



CALIFORNIA DEPARTMENT OF  
FOOD & AGRICULTURE

A. G. Kawamura, Secretary

May 10, 2010

DMS Notice  
QC – 10 – 1

TO WEIGHTS AND MEASURES OFFICIALS

Discard: Retain

**SUBJECT: J-M Manufacturing Company, Inc (dba J-M Pipe Manufacturing Company and J-M Eagle) Settlement**

Attached is a Final Judgment and Permanent Injunction issued by the District Attorney's Office of Riverside County, in conjunction with the District Attorney's Offices of Alameda, Merced, San Joaquin, Stanislaus and Tulare Counties who filed against J-M Manufacturing Company on May 4, 2010 for selling short measure plastic pipe products in violation of California Business and Professions Codes 12024.

We value the excellent work done on behalf of the people, by the prosecution team representing the various county District Attorney's Offices as well as the State and county investigators that went around and tested these products. J-M Manufacturing Company was assessed \$728,000 in civil penalties, \$35,098.04 for investigative costs, and \$364,000 in cy pres restitution for a total of \$1,127,098.04. The cy pres restitution was split evenly with \$182,000 being paid to the California Agriculture Commissioner and Sealer's Association's Quantity Control Trust Fund which is used to benefit the citizens of the State of California by aiding in the training, investigation and prosecution of pricing-accuracy and quantity control cases and \$182,000 being paid to the Consumer Protection Trust fund.

Riverside County should be sure to report these penalties in the County Monthly Report (CMR). All participating counties should separately record their individual investigative cost reimbursements in the appropriate columns in the report.

Sincerely,

Edmund E. Williams  
Director

Cc PQV Special Investigators



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**FILED**  
SUPERIOR COURT OF CALIFORNIA  
COUNTY OF RIVERSIDE

MAY 04 2010

Attorneys for Plaintiff, People of  
The State of California  
(Additional counsel on following page)

SUPERIOR COURT OF CALIFORNIA  
COUNTY OF RIVERSIDE  
(Riverside)

THE PEOPLE OF THE STATE OF CALIFORNIA,

Plaintiff;

v.

J-M MANUFACTURING COMPANY, INC., a Delaware  
corporation,  
dba J-M PIPE MANUFACTURING COMPANY and  
J-M EAGLE;

Defendant.

**RIC 10008182**

FINAL JUDGMENT AND  
PERMANENT INJUNCTION  
PURSUANT TO STIPULATION

ROD PACHECO  
DISTRICT ATTORNEY  
County of Riverside  
State of California

FINAL JUDGMENT AND PERMANENT INJUNCTION

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ROD PACHECO  
DISTRICT ATTORNEY  
County of Riverside  
State of California

1 Plaintiff, THE PEOPLE OF THE STATE OF CALIFORNIA, having filed its complaint  
2 herein; and Defendant J-M MANUFACTURING COMPANY, INC., a Delaware corporation,  
3 having accepted service thereof; and

4 Plaintiff appearing through its attorneys Phillip Cline, District Attorney of Tulare County, and  
5 Richard Isham, Deputy District Attorney; Rod Pacheco, District Attorney of Riverside County, and  
6 Elise J. Farrell, Deputy District Attorney; James P. Willett, District Attorney of San Joaquin County,  
7 and David J. Irey, Supervising Deputy District Attorney; Larry D. Morse, II, District Attorney of  
8 Merced County, and Anthony T. Wilson Deputy District Attorney; Birgit Fladager, District Attorney  
9 of Stanislaus County, and John B. Goulart, Deputy District Attorney; Nancy O'Malley, District  
10 Attorney of Alameda County, and Anthony Douglas, Deputy District Attorney; and Defendant J-M  
11 MANUFACTURING COMPANY, INC., through its counsel McDermott Will & Emery LLP, by  
12 Russell Hayman and Hoyt Sze, Esq.; and Pursuant to written Stipulation for Entry of the Final  
13 Judgment and Permanent Injunction signed by Defendants and counsel for Defendants and counsel  
14 for the People of the State of California, whereby Plaintiff and Defendants waive their right to  
15 appeal and consent to the entry of this Judgment, without the taking of evidence, and without trial or  
16 adjudication of any facts, and without this Final Judgment and Permanent Injunction constituting an  
17 admission or evidence of wrongdoing or willfulness by Defendants regarding any issue or any fact  
18 alleged in the Complaint;

19 The Court having read and considered this matter, and good cause appearing;

20 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Plaintiff have judgment  
21 against the Defendants as follows:

22 1. This Court finds that it has jurisdiction of the subject matter and the parties.

23 **APPLICABILITY**

24 2. The provisions of this Final Judgment are applicable to Defendant J-M  
25 MANUFACTURING COMPANY, INC., its officers, directors, representatives, successors,  
26 assignees, and all persons, partnerships, corporations, and other entities acting under, by, through,  
27 on behalf of, or in concert with J-M MANUFACTURING COMPANY, INC., with actual or  
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1 constructive knowledge of this Judgment, and to the subsidiaries of J-M MANUFACTURING  
2 COMPANY, INC., and their respective officers, directors, representatives, successors, assignees  
3 and all persons, partnerships, corporations, and other entities acting under, by, through, on behalf,  
4 of, or in concert with any such subsidiary with actual or constructive knowledge of this Final  
5 Judgment (hereinafter collectively referred to as "Enjoined Persons").

6 **INJUNCTION**

7 3. Pursuant to Business and Professions Code sections 17203 and 17535, the court's inherent  
8 equity powers, and subject to the provisions of Paragraph 7 below, Enjoined Persons, and each of  
9 them, are permanently enjoined and restrained from violating Business and Professions Code  
10 sections 17200 and 17500 through any of the following acts or practices:

11 A. Making or causing to be made to the public any untrue or misleading  
12 statement regarding the length of pipe products in violation of Business and  
13 Professions Code section 17500;

14 B. Violating Business and Professions Code section 12024.

15 **IT IS FURTHER ORDERED THAT:**

16 4. Defendants shall maintain a quality control program that ensures that the length of pipe  
17 manufactured, distributed, or sold to the public is accurately represented and that it complies with  
18 Business and Professions Code section 12024.

19 5. Within two weeks of the entry of this Stipulated Judgment and Permanent Injunction  
20 Defendants shall give a copy of paragraph 3 of this Judgment to each of its plant managers and  
21 shall have the manager sign and date the document acknowledging receipt and understanding of  
22 this information. Defendants shall maintain such acknowledgment for a period of three years after  
23 any plant manager's termination of employment and shall make such acknowledgements available  
24 to the Plaintiffs within 14 days of a written request.

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**MONETARY RELIEF**

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2 6. J-M MANUFACTURING COMPANY, INC. shall pay the cost of investigation incurred by  
3 state and local agencies. Said sums are to be paid by cashier's checks made payable to the following  
4 entities in the following amounts and on the following date:

5 a. On the date of entry of this Stipulated Judgment

- 6 i. \$10,400.00 payable to "California Department of Measurement Standards"  
7 ii. \$2,747.72 payable to "Imperial County Department of Weights and  
8 Measures"  
9 iii. \$728.00 payable to "Santa Cruz County Department of Weights and  
10 Measures"  
11 iv. \$732.30 payable to "Riverside County Department of Weights and Measures"  
12 v. \$398.64 payable to "Monterey County Department of Weights and Measures"  
13 vi. \$230.00 payable to "Tulare County Department of Weights and Measures"  
14 vii. \$226.80 payable to "Madera County Department of Weights and Measures"  
15 viii. \$9,425.56 payable to "Merced County Department of Weights and Measures"  
16 ix. \$9,648.66 payable to "Stanislaus County Department of Weights and  
17 Measures"  
18 x. \$231.00 payable to "Alameda County Department of Weights and Measures"  
19 xi. \$329.36 payable to "Kings County Department of Weights and Measures"

20 All checks shall be sent to the Riverside County District Attorney's Office, attn: Elise J.  
21 Farrell, 3960 Orange Street, Riverside, CA, 92501.

22 7. Pursuant to Business and Professions Code section 17206, Defendants shall pay a civil  
23 penalty of SEVEN HUNDRED TWENTY EIGHT THOUSAND DOLLARS (\$728,000.00). Said  
24 sum is to be paid by cashier's checks made payable to the following entities in the following  
25 amounts and on the following dates:

26 b. On the date of entry of this Stipulated Judgment

- 27 i. \$25,946.08 payable to "Riverside County District Attorney"  
28 ii. \$25,946.08 payable to "Alameda County District Attorney"

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- iii. \$25,946.08 payable to "Merced County District Attorney"
- iv. \$25,946.08 payable to "San Joaquin County District Attorney"
- v. \$25,946.08 payable to "Stanislaus County District Attorney"
- vi. \$25,946.08 payable to "Tulare County District Attorney"

c. On May 15, 2010

- i. \$31,795.75 payable to "Riverside County District Attorney"
- ii. \$31,795.75 payable to "Alameda County District Attorney"
- iii. \$31,795.75 payable to "Merced County District Attorney"
- iv. \$31,795.75 payable to "San Joaquin County District Attorney"
- v. \$31,795.75 payable to "Stanislaus County District Attorney"
- vi. \$31,795.75 payable to "Tulare County District Attorney"

d. On June 15, 2010

- i. \$31,795.75 payable to "Riverside County District Attorney"
- ii. \$31,795.75 payable to "Alameda County District Attorney"
- iii. \$31,795.75 payable to "Merced County District Attorney"
- iv. \$31,795.75 payable to "San Joaquin County District Attorney"
- v. \$31,795.75 payable to "Stanislaus County District Attorney"
- vi. \$31,795.75 payable to "Tulare County District Attorney"

e. On July 15, 2010

- i. \$31,795.75 payable to "Riverside County District Attorney"
- ii. \$31,795.75 payable to "Alameda County District Attorney"
- iii. \$31,795.75 payable to "Merced County District Attorney"
- iv. \$31,795.75 payable to "San Joaquin County District Attorney"
- v. \$31,795.75 payable to "Stanislaus County District Attorney"
- vi. \$31,795.75 payable to "Tulare County District Attorney"

8. All civil penalty checks required under the terms of this Final Judgment shall be delivered to the Riverside County District Attorney's Office, attn: Elise J. Farrell, 3960 Orange Street, Riverside, CA, 92501.

1 9. Recognizing the infeasibility of identifying injured consumers who suffered actual loss, the  
2 impracticality of providing direct restitution to said consumers, and the disproportionate cost of  
3 making restitution to individual consumers, which would far exceed the benefit consumers would  
4 gain, the parties agree that J-M MANUFACTURING COMPANY, INC. shall pay, pursuant to  
5 Business and Professions Code sections 17203 and 17535, *cy pres* restitution in the sum of THREE  
6 HUNDRED SIXTY FOUR THOUSAND DOLLARS (\$364,000.00). One-half of said *cy pres*  
7 restitution (\$182,000.00) shall be paid to the Consumer Protection Prosecution Trust Fund  
8 established in the case of People v. ITT Consumer Financial Corporation (Alameda Superior Court  
9 No. 656038-0). One-half of said *cy pres* restitution (\$182,000.00) shall be paid to the California  
10 Agricultural Commissioners and Sealers Association Trust Fund. The payments required under this  
11 paragraph shall be made upon entry of this Judgment by cashier's check payable to the "Consumer  
12 Protection Prosecution Trust Fund" and the "California Agricultural Commissioners and Sealers  
13 Association Trust Fund" and sent to the Riverside County District Attorney's Office, attn:  
14 Elise J. Farrell, 3960 Orange Street, Riverside, CA, 92501. Said sums are to be paid by cashier's  
15 checks made payable to the following entities in the following amounts and on the following date:

16 a. On September 15, 2010 \*

17 vii. \$182,000.00 payable to "Consumer Protection Prosecution Trust Fund"

18 viii. \$182,000.00 payable to "California Agricultural Commissioners and Sealers  
19 Association Trust Fund"

20 10. If Defendants fails to pay any installment on or before the fifth day following the due date,  
21 all remaining sums shall become immediately due and payable with interest at the statutory rate of  
22 10% accruing from the date of entry of judgment.

23 11. This Final Judgment is not to be construed as an admission of liability by any party. This  
24 Final Judgment was entered into as a result of a stipulation of the parties, without admission of fact  
25 or law, and without the admission by J-M MANUFACTURING COMPANY, INC. or by any related  
26 party of liability, wrongdoing, illegality, or of any fact alleged in the Complaint.

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**RELEASE**

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12. Plaintiff, the People of the State of California, agrees to release and discharge J-M MANUFACTURING COMPANY, INC., its officers, directors, representatives, successors and assignees and the subsidiaries of J-M MANUFACTURING COMPANY, INC., their respective officers, directors, representatives, successors and assignees from any civil claims, suits, demands, or complaints, pertaining to or arising from the alleged unlawful acts and practices described in the Complaint filed contemporaneously with this Final Judgment, which acts occurred prior to the date of entry of this Final Judgment.

**RETENTION OF JURISDICTION**

13. Jurisdiction is retained for the purpose of enabling any party to this Final Judgment to apply to the Court at any time for such further orders and directions as may be deemed necessary or appropriate for the construction of or the carrying out of this Final Judgment, the enforcement of the compliance with the injunctive provisions hereof, and for the punishment of violations of the injunctive provisions hereof.

14. The clerk is ordered to immediately enter this Final Judgment.

Dated:

5/4/10

**BERNARD SCHWARTZ**

\_\_\_\_\_  
JUDGE OF THE SUPERIOR COURT