



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

Karen Ross, Secretary

August 28, 2013

DMS NOTICE

W - 13 - 01R

DISCARD: RETAIN

TO: WEIGHTS AND MEASURES OFFICIALS

SUBJECT: REVISED - SIMS Group USA Corporation, a Delaware Corporation, dba
SIMS Metal Management and SIMS Metal

The Division of Measurement Standards incorrectly stated the County of San Francisco was the responsible reporting county in this case. The responsible reporting County is Contra Costa. We apologize for any inconvenience this may have caused.

Enclosed are the stipulated final judgment and permanent injunction issued against SIMS Group USA Corporation, a Delaware Corporation, dba SIMS Metal Management and SIMS Metal. The case was filed by the District Attorney's Office of the City and County of San Francisco in conjunction with Contra Costa County on August 1, 2013, for purchasing nonferrous scrap metal from sellers without following the procedures outlined in Chapters 7 and 9, Division 8, of the California Business and Professions Code.

The California Department of Food and Agriculture, Division of Measurement Standards worked with the Weights and Measures Offices of Contra Costa County along with local law enforcement in San Francisco and Contra Costa in doing test sales and verifying the company's weighmaster records. The total settlement was for \$4,100,000.00. Civil penalties amounted to \$2,665,000.00 and agency costs were \$1,435,000.00.

The County of Contra Costa is responsible for reporting these penalties in the County Monthly Report (CMR); all participating counties should have separately recorded their individual investigative cost reimbursements in the appropriate columns on the CMR.

We appreciate the fine work done by the District Attorney's Offices along with state and county investigators that documented and caused to be prosecuted these violations. If you have any questions, please contact Vickie Baker, Supervising Special Investigator, (916) 229-3070 or by e-mail at Vickie.baker@cdfa.ca.gov.

Sincerely,

Kristin J. Macey
Director

cc: Gary Leslie, County/State Liaison, CDFA

Enclosure



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

GEORGE GASCÓN, SBN 182345
District Attorney of San Francisco
DAVID A. PFEIFER, SBN 127785
Chief Assistant District Attorney
JUNE D. CRAVETT, SBN 105094
Assistant Chief District Attorney
EVAN H. ACKIRON, SBN 164628
Assistant District Attorney
JOANNE HOEPER, SBN 114961
Assistant District Attorney
NANCY TUNG, SBN 203236
Assistant District Attorney
732 Brannan Street
San Francisco, California 94103
Telephone: (415) 551-9537

MARK A. PETERSON, SBN 111961
District Attorney of Contra Costa County
STEVE MOAWAD, SBN 190358
Supervising Deputy District Attorney,
GARY E. KOEPEL, SBN 104596
Deputy District Attorney
900 Ward Street, 4th Floor
Martinez, California 94553
Telephone: (925) 957-8788

Attorneys for Plaintiff,
The People of the State of California

SUPERIOR COURT OF THE STATE OF CALIFORNIA
CITY AND COUNTY OF SAN FRANCISCO
UNLIMITED JURISDICTION

THE PEOPLE OF THE STATE OF CALIFORNIA,

Plaintiff,

vs.

SIMS GROUP USA CORPORATION, a
Delaware Corporation, dba SIMS METAL
MANAGEMENT and SIMS METAL,

Defendant.

ENDORSED
FILED
Superior Court of California
County of San Francisco

AUG 01 2013

CLERK OF THE COURT
BY: ROSALIE GUMPAL
Deputy Clerk

CGC-13-
533255

Case No.

STIPULATED FINAL JUDGMENT
AND PERMANENT INJUNCTION

1 Plaintiff, the People of the State of California, represented by George Gascón, the District
2 Attorney of the City and County of San Francisco, and Mark A. Peterson, the District Attorney of
3 the County of Contra Costa, and Defendant Sims Group USA Corporation dba Sims Metal
4 Management and Sims Metal (hereinafter “Defendant” or “Defendant Sims”), represented by
5 Jason P. Gonzalez of Nixon Peabody LLP and Robert J. Herrington of Greenberg Traurig LLP,
6 having stipulated to entry of this Stipulated Final Judgment and Permanent Injunction (hereinafter
7 “Stipulated Judgment”) without the taking of proof and without this judgment constituting
8 evidence of or an admission by any party regarding any issue of law or fact alleged in the
9 complaint, all parties having waived the right to appeal, the parties to this Stipulated Judgment
10 expressly stipulating and agreeing that this Stipulated Judgment is entered into for the purpose of
11 resolving disputed claims without any admission of liability or wrongdoing on the part of
12 Defendant Sims, Defendant Sims further contending that it has sought to implement in good faith
13 the applicable provisions of the Business and Professions Code and related laws pertaining to the
14 subject matter of this Stipulated Judgment, the People contending that the allegations in the
15 People’s complaint speak for themselves, and good cause appearing,

16 IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

- 17 1. The Court has jurisdiction of the parties hereto and the subject matter hereof.
- 18 2. The District Attorney for the City and County of San Francisco and the District
19 Attorney for the County of Contra Costa have the authority, and have exercised the authority,
20 under the laws of the State of California to maintain this action for and on behalf of the People of
21 the State of California concerning the conduct alleged in the Complaint.
- 22 3. This Stipulated Judgment entered into by the parties has been reviewed by the Court,
23 and the Court finds that it has been entered into in good faith and is in all respects just, reasonable,
24 equitable and adequate to remedy the conduct alleged in the Complaint and to protect the public
25 from such conduct in the future.

26 ///

27 ///

1 DEFINITIONS

2 4. **Scrap Metals and Alloys:** This term has the meaning as set forth in California
3 Business and Professions Code section 21600.

4 5. **Junk:** This term has the meaning as set forth in California Business and Professions
5 Code section 21600.

6 6. **Nonferrous Material:** This term has the meaning as set forth in California Business
7 and Professions Code section 21608.5(f).

8 7. **Control** (including as used in the terms “Controlling” and “Controlled by” and “under
9 common Control”): (a) the ownership, directly or indirectly, of more than 33% percent of the
10 ownership interests, or (b) the possession, directly or indirectly, of the power to direct or cause the
11 direction of the management of, whether through the ownership of voting securities, by contract,
12 possessory interest or otherwise.

13 8. **Affiliate:** (a) any individual or firm, corporation, partnership, joint venture,
14 association, trust or other form of enterprise which, whether directly or indirectly, Controls, is
15 Controlled by, or is under common Control with Sims Group USA Corporation, and (b) any
16 person that is a successor to Sims Group USA Corporation by reason of merger, acquisition or
17 other form of combination or reorganization.

18 9. For the data entered into transaction records referred to in paragraphs E, H, K, N, P, Q
19 and R, below:

20 **Exempt Business:** exempt per California B&P Code section 21604(b),

21 **Exempt Junk Dealer/Recycler:** exempt per B&P section 21604(c),

22 **Non-Ferrous Business:** exempt per California B&P Code section 21608.5(c),

23 **Exempt CRV Supplier:** exempt per California B&P Code section 21608.5(d),

24 **Exempt Auto Dismantler:** exempt per California B&P Code section 21608.5(e).

25 ///

26 ///

27 ///

PERMANENT INJUNCTION

10. For the purposes of the injunctive provisions set forth in this Stipulated Judgment, the term "Defendant" includes its subsidiaries; its successors and the assigns of all or substantially all the assets of its business; and its directors, officers and employees.

11. The following metal recycling facilities are subject to the injunctive provisions of this Stipulated Judgment: (a) all facilities in California owned or operated, in whole or in part, by Defendant at the time of entry of the Stipulated Judgment, including, but not limited to the eight facilities currently operating in the counties of San Francisco (300 20th St, San Francisco, 94107), Contra Costa (600 South 4th Street, Richmond, 94804), Alameda (30104 Industrial Parkway SW, Hayward, 94544), Santa Clara (1900 Monterey Highway, San Jose, 95112), San Mateo (699 Seaport Blvd, Redwood City, 94063), San Joaquin (1000 South Aurora Street, Stockton, 95206) and Sacramento (11320 Dismantle Court, Rancho Cordova, 95742; 130 N. 12th Street, Sacramento, 95811); and (b) all facilities in California opened or acquired any time after entry of the Stipulated Judgment which are Controlled by Defendant, or by any entity in which the Defendant has Control.

12. If Defendant conveys, sells, assigns or otherwise transfers all of its ownership of any facility listed in 11(a) to its parent, a subsidiary or joint venture of its parent, or any subsidiary, joint venture or Affiliate of Defendant (hereinafter "A Sims Related Entity"), the facility will remain subject to the injunctive provisions of this Stipulated Judgment, and the recipient, purchaser, assignee or other transferee shall assume the obligations of Defendant under this Stipulated Judgment with regard to such facility. At least 30 days prior to such transfer (or as soon as permitted by securities laws and regulations), the Defendant shall (1) give notice of the transfer to Plaintiff; (2) provide a copy of this Stipulated Judgment to the transferee; and (3) notify the transferee in plain language that it will be assuming the obligations of Defendant under this Stipulated Judgment with regard to the facility. If Defendant conveys, sells, assigns or otherwise transfers all of its ownership of any facility listed in 11(a) to a recipient, purchaser, assignee or other transferee other than A Sims Related Entity, the facility will cease to be subject to the

1 consular card number, whichever is applicable; the jurisdiction issuing the identification; and the
2 first and last name of the person making the record. The person recording this information shall
3 make the record only upon his or her personal visual inspection of the original identification at the
4 time of purchase, either directly or by inspection of a live or contemporaneous photographic or
5 other image.

6 D. Unless the transaction is exempt pursuant to Business and Professions Code
7 section 21604(b) or 21604(c), Defendant shall implement a system of photographing the item of
8 identification presented by sellers that uses a template or other device to ensure a complete and
9 legible image of the item of identification. If a passport is presented as identification, and the
10 passport number and photograph of the passport holder are on different pages, both pages must be
11 photographed. If a passport or Matricula Consular is presented as identification, Defendant shall
12 also record a clear and legible image of the additional item of identification bearing the name and
13 address of the seller. The photograph shall bear a time and date stamp and the ticket number of
14 the transaction.

15 E. The Defendant shall use computer software that prevents the finalization of a
16 purchase of Junk or Scrap Metal and Alloys unless either: (1) the information required by
17 Paragraph C together with the photograph(s) referenced in the preceding paragraph is entered
18 manually or automatically into the transaction record; or (2) the seller is entered either manually or
19 automatically into the transaction record as either an (a) "Exempt Business" or (b) "Exempt Junk
20 Dealer/Recycler."

21 Identification of Vehicle and Vehicle License Number

22 F. Unless the transaction is exempt pursuant to Business and Professions Code
23 section 21604(b) or 21604(c), Defendant shall not purchase Junk or Scrap Metal and Alloys from
24 any seller without first recording the vehicle license plate number, including the state of issuance,
25 of any motor vehicle used to transport the Junk or Scrap Metal and Alloys to Defendant's facility.
26 Defendant shall accurately record the vehicle license plate number, including the state of issuance.
27 The person recording this information shall make the record only upon a personal, visual

1 inspection of the vehicle license plate either directly or through review of a live or
2 contemporaneous photographic or other image. If the Junk or Scrap Metal and Alloys were not
3 transported in a motor vehicle, the transaction record shall state "No Vehicle."

4 G. Defendant shall implement a system of photographing any vehicle referenced in
5 the preceding paragraph. The photograph shall be of sufficient size, clarity and resolution to allow
6 identification of the vehicle as well as the vehicle license plate number and state of issuance.
7 Defendant shall take as many photographs as necessary to capture each of the items of information
8 required by this paragraph. The photograph(s) shall bear a time and date stamp and the ticket
9 number of the transaction.

10 H. The Defendant shall use computer software that prevents the finalization of a
11 purchase of Junk or Scrap Metal and Alloys unless either: (1) the information required by
12 Paragraph F together with the photograph(s) referenced in the preceding paragraph is entered
13 manually or automatically into the transaction record; or (2) "No Vehicle" is entered either
14 manually or automatically into the transactions record; or (3) the seller is entered either manually
15 or automatically into the transaction record as either an (a) "Exempt Business" or (b) "Exempt
16 Junk Dealer/Recycler."

17 Nonferrous Transactions – Photograph of Seller

18 I. Unless the transaction is exempt pursuant to California Business and Professions
19 Code section 21604(b), 21604(c), 21608.5(c), 21608.5(d), or 21608.5(e), Defendant shall not
20 purchase Nonferrous Material from any seller without first recording a clear photograph of the
21 seller.

22 J. The photograph referenced in the preceding paragraph shall meet the following
23 standards: (1) the image shall be in color; (2) the image shall be viewable at a size of 3x4 inches;
24 (3) at 3x4 inches, the image shall be of photographic quality, be of such clarity and resolution as to
25 allow identification of the seller, and be at least 640 x 480 pixels; (4) the seller shall be informed
26 that s/he is being photographed and asked to stand at a designated point in front of the camera; (5)
27 the photograph shall bear a time and date stamp, and the ticket number of the transaction. In

1 addition, Defendant shall use reasonable and good faith efforts to obtain photographs where: (1) at
2 3x4 inches the image is sized such that the seller's head is at least 2 inches from the bottom of the
3 chin to the top of the head; (2) the photograph is taken in full-face view directly facing the camera;
4 (4) hats are removed; and (5) dark or tinted glasses are removed.

5 K. Defendant shall use computer software that prevents the finalization of a purchase
6 of Nonferrous Material unless either: (1) the photograph required by Paragraph I is entered
7 manually or automatically into the transaction record; or (2) the seller is entered either manually or
8 automatically into the transaction record as either an (a) "Exempt Business," (b) "Exempt Junk
9 Dealer/Recycler, (c) "Non-Ferrous Business," (d) "Exempt CRV Supplier," or (e) "Exempt Auto
10 Dismantler."

11 Nonferrous Transactions – Thumbprint of Seller

12 L. Unless the transaction is exempt pursuant to California Business and Professions
13 Code section 21604(b), 21604(c), 21608.5(c), 21608.5(d), or 21608.5(e), Defendant shall not
14 purchase Nonferrous Material without first obtaining a thumbprint of the seller.

15 M. The thumbprint referenced in the preceding paragraph shall be taken as a "flat"
16 impression (also known as a "plain" or "slap" impression, or an "FBI Type 14 Identification Flat
17 Impression"), and shall be taken in a manner that ensures that the thumbprint impression is clear,
18 not smudged or smeared, reveals the print patterns, and is otherwise sufficient to identify the
19 seller. The document containing the thumbprint shall bear a time and date stamp, and the ticket
20 number of the transaction.

21 N. Defendant shall use computer software that prevents the finalization of a purchase
22 of Nonferrous Material unless either: (1) the thumbprint referenced in the preceding paragraph is
23 entered either manually or automatically into the transaction record; or (2) the seller is entered
24 either manually or automatically into the transaction record as either an (a) "Exempt Business;"
25 (b) "Exempt Junk Dealer/Recycler;" (c) "Exempt Non Ferrous Business;" (d) "Exempt CRV
26 Supplier"; or (e) "Exempt Auto Dismantler."

27 ///

1 verification that the seller's applicable transaction history was available to and checked by the
2 person handling the transaction or handled through an automated software function is entered
3 either manually or automatically into the transaction record; or (2) the seller is entered either
4 manually or automatically into the transaction record as either an (a) "Exempt Business;" (b)
5 "Exempt Junk Dealer/Recycler;" (c) "Exempt Non Ferrous Business;" (d) Exempt CRV Supplier;
6 or (e) Exempt Auto Dismantler."

7 S. If a seller of Nonferrous Material is paid by a mailed check, the check shall be
8 mailed to the address appearing on the seller's identification card or to an alternate address
9 appearing on a gas or electric utility bill addressed to the seller at that alternative address with a
10 payment due date no more than two months prior to the date of sale. If an alternative address is
11 used, Defendant shall record the alternative address and its source, or alternatively, record a clear
12 photograph of the utility bill.

13 Record Keeping

14 T. Defendant shall ensure that the records and images required in this Stipulated
15 Judgment and by statute are accurately maintained and linked in its electronic record keeping
16 system, including all records relating to any exemption documented by Defendant within a
17 transaction record pursuant to paragraphs E, H, K, N, P, Q, or R. Defendant shall ensure that a
18 person seeking to review a particular transaction or set of transactions can access all of the records
19 and images related to that particular transaction or set of transactions, including any record that
20 supports a claimed exemption, with ease.

21 U. Defendant shall redesign its electronic record keeping system so that the
22 employees responsible for completing a transaction can readily determine whether or not the seller
23 or the transaction is exempt from the requirements of Chapter 9 of Division 8 of the California
24 Business and Professions Code.

25 V. All records, whether paper or electronic, required to be maintained by the
26 injunctive terms of this Stipulated Judgment, or required to be maintained by Chapter 9, Division
27 8 of the California Business and Professions Code, shall be maintained for at least four (4) years

1 after making the final entry of any purchase.

2 Training

3 W. Recognizing that Defendant currently has a developed and implemented a metal
4 theft and record-keeping training program, Defendant shall continue and update as necessary its
5 ongoing training program to educate Designated Employees (defined below) on all applicable state
6 and local laws, including without limitation Chapters 7 and 9 of Division 8 of the California
7 Business and Professions Code, California Penal Code section 496a, and San Francisco Police
8 Code Article 13.1 and the terms of this injunction. "Designated Employees" are persons, whether
9 or not employees of Defendant, whose duties on behalf of Defendant include the following:
10 operations manager, weigh master, deputy weigh master, cashier, yard supervisor, and/or any
11 person on behalf of Defendant involved in inspecting, weighing, purchasing, or paying for Junk or
12 Scrap Metals and Alloys or any person on behalf of Defendant involved in creating or maintaining
13 any specific records required to be created or maintained by this Stipulated Judgment or Chapter 9
14 of Division 8 of the California Business and Professions Code.

15 X. A new round of training for current Designated Employees shall occur within 60
16 days after the signing of this Stipulated Judgment. Training for new Designated Employees shall
17 be completed prior to their assuming the duties of a Designated Employee.

18 Y. Defendant shall keep a training log that documents the date and type of training
19 received by all Designated Employees pursuant to this Stipulated Judgment. This log shall be
20 dated, and signed by all employees who attend the training.

21 Z. Designated Employees shall receive training on the following:

- 22 (1) The due diligence that must be exercised in every purchase of Junk or Scrap
23 Metals and Alloys in order to prevent the purchase of stolen Junk or Scrap
24 Metals and Alloys;
25 (2) The types and characteristics of Junk or Scrap Metal and Alloys that are
26 frequently stolen;

27 ///

- 1 (3) How to identify Junk or Scrap Metals and Alloys ordinarily used by or
- 2 belonging to governmental agencies, railroads or other transportation
- 3 entities, utility companies, water departments, or other entities furnishing
- 4 public utility or transportation services;
- 5 (4) The procedures to be followed if a Designated Employee believes that Junk
- 6 or Scrap Metal and Alloys may have been stolen, which shall comply with
- 7 any lawful requirements regarding the purchase of Junk or Scrap Metals and
- 8 Alloys established by the Chief of Police or Sheriff with jurisdiction over
- 9 the facility;
- 10 (5) The requirements of Chapters 7 and 9 of Division 8 of the California
- 11 Business and Professions Code, including the record-keeping requirements;
- 12 and
- 13 (6) The requirements of this Stipulated Injunction.

14 AA. Within 30 days of the entry of this Stipulated Judgment, Defendant shall
15 provide all current Designated Employees with a copy of this Stipulated Judgment. Within 30
16 days of a person becoming a Designated Employee, Defendant shall provide that person with a
17 copy of this Stipulated Judgment.

18 Inspections

19 BB. For two years from the date of this Stipulated Injunction, Defendant shall permit
20 Plaintiff, by the San Francisco District Attorney's Office and/or the Contra Costa District
21 Attorney's Office, to inspect any facility referred to in Paragraph 11, to inspect any Junk and Scrap
22 Metals and Alloys, to inspect any records, and to interview any Designated Employee of
23 Defendant as well as facility managers, regional managers, and others involved in the policies,
24 procedures, or record keeping related to such purchases, to confirm compliance with this
25 Stipulated Judgment.

26 CC. In addition to the inspections permitted by the previous paragraph, during the
27 term of this Stipulated Judgment, Defendant shall permit Plaintiff, by the San Francisco District

1 Attorney's Office or the Contra Costa District Attorney's Office, to conduct inspections of
2 Defendant's premises and Junk and Scrap Metals and Alloys thereon, and the records and
3 purchased property as set forth in California Business and Professions Code sections 21606.5 and
4 21609, with or without a warrant or court order, unless prohibited by Business and Professions
5 Code section 21608.5(a)(6)(B) (protection of thumbprints).

6 DD. All inspections, whether pursuant to paragraph **BB** or paragraph **CC**, may be
7 conducted on-site with or without notice or by means of a written request for production of
8 documents or persons. On-site inspections shall occur only during normal business hours.
9 Plaintiff shall conduct all inspections in a way reasonably calculated to minimize disruption of
10 Defendant's business operations. Plaintiff shall conduct all interviews with reasonable regard for
11 the interviewee's work and personal schedules. Defendant shall comply with a written request for
12 production within 10 calendar days after the request is made, unless 10 calendar days is
13 unreasonable, whereupon a reasonable date shall be agreed to in writing.

14 Compliance Officer

15 EE. Defendant shall designate an employee or consultant with responsibility for
16 ensuring compliance with the injunctive terms of this Stipulated Judgment and with California and
17 local law (hereinafter "Compliance Officer"). Such Compliance Officer will serve as a point of
18 contact for Plaintiff and for law enforcement concerning each of Defendant's facilities in
19 California (hereinafter "Compliance Officer"). No later than 14 days after execution of this
20 Stipulated Judgment, Defendant will provide Plaintiff with the name and contact information for
21 the Compliance Officer. Should the identity of the Compliance Officer change, Defendant will
22 provide Plaintiff with the name and contact information for the new Compliance Officer within 14
23 days of the new Compliance Officer's engagement.

24 Deadline for Installation and Implementation of New Equipment and Systems

25 FF. Within ninety (90) days of entry of this Stipulated Judgment, Defendant shall
26 install any new equipment and implement any new system(s) necessary to comply with the
27 injunctive terms of this Stipulated Judgment.

1 Other Terms

2 GG. If Defendant purchases material from another Junk Dealer, Defendant shall
3 comply with California Business and Professions Code section 21604(c), including but not limited
4 to obtaining written assurance from the selling Junk Dealer that the selling Junk Dealer has
5 complied with the applicable reporting and hold requirements of Chapter 9 of Division 8 of the
6 California Business and Professions Code. Such written assurance shall be maintained with the
7 other records of the Defendant applicable to such Junk Dealers.

8 HH. Within 60 days of the date of entry of this Stipulated Judgment, Defendant shall
9 provide Plaintiff with its compliance plan, and a description of the steps taken to date to ensure
10 compliance with the injunctive terms of this Stipulated Judgment.

11 CIVIL PENALTIES AND INVESTIGATIVE COSTS

12 15. Defendant shall pay Plaintiff, the People of the State of California, through George
13 Gascón, District Attorney of the City and County of San Francisco, and Mark A. Peterson, District
14 Attorney of the County of Contra Costa, a total settlement amount of Four Million One Hundred
15 Thousand Dollars (\$4,100,000.00), as follows:

16 A. Defendant shall pay Plaintiff the sum of Two Million Six Hundred Sixty-Five
17 Thousand and 00/100 dollars (\$2,665,000.00) pursuant to California Business and Professions
18 Code sections 17206. Pursuant to Government Code section 26506, the amount paid pursuant to
19 this paragraph shall be distributed in the following manner:

20 (1) One Million Three Hundred Thirty-Two Thousand Five Hundred and
21 00/100 dollars (\$1,332,500.00) by check made payable to the San
22 Francisco District Attorney's Office.

23 (2) One Million Three Hundred Thirty-Two Thousand Five Hundred and
24 00/100 dollars (\$1,332,500.00) by check made payable to the Contra
25 Costa County District Attorney's Office.

26 B. Defendant shall pay Plaintiff the sum of One Million Four Hundred Thirty-Five
27 Thousand and 00/100 dollars (\$1,435,000.00) for investigation costs. The amount paid pursuant to

1 this paragraph shall be distributed in the following manner:

2 (1) Seven Hundred Seventeen Thousand Five Hundred and 00/100 dollars
3 (\$717,500.00) by check made payable to the San Francisco District
4 Attorney's Office.

5 (2) An aggregate of Seven Hundred Seventeen Thousand Five Hundred and
6 00/100 dollars (\$717,500.00) by checks payable to certain California law
7 enforcement agencies, including the Contra Costa County District
8 Attorney's Office, specified in a writing entitled "Letter of Understanding
9 Regarding Costs," to be provided to the Defendant by the Contra Costa
10 County District Attorney's Office.

11 16. The above-referenced payments shall be made as follows: On August 1, 2013,
12 Defendant shall deliver all checks required to be paid pursuant to Paragraph 15 of this Stipulated
13 Judgment to the San Francisco County District Attorney's Office, Attention June D. Cravett,
14 White Collar Crime Division, 732 Brannan Street, San Francisco, CA 94103. No later than three
15 (3) business days following Plaintiff's receipt of the payments, Plaintiff shall file the Complaint
16 and the Stipulation for Entry of Final Judgment and Permanent Injunction, and present this
17 Stipulated Judgment to the Court for entry. Plaintiff's obligations under this subparagraph are a
18 material condition of Defendant's agreement to the Stipulation.

19 RETENTION OF JURISDICTION, COSTS

20 17. Jurisdiction is retained for the purpose of enabling any party to this Stipulated
21 Judgment to apply to the Court at any time for such further orders and directions as may be
22 necessary and appropriate for the construction or carrying out of this Stipulated Judgment, for the
23 modification or termination of any of its injunctive provisions, for the enforcement of any of its
24 provisions, or for punishment of any violations of its provisions.

25 18. The injunctive provisions in paragraphs 13 and 14 of this Stipulated Judgment shall
26 expire at the end of the fifth year following the date of entry of this Stipulated Judgment. The
27 termination of the injunctive provisions of this Stipulated Judgment shall have no effect on

1 Defendant's obligations comply with all laws.

2 19. Reasonable attorneys' fees incurred by Plaintiff as a result of any material violation of
3 this Stipulated Judgment, if such violation is proven in a court of law, shall be recoverable as costs
4 pursuant to California Code of Civil Procedure sections 685.040 and 1033.5(a)(10)(A).

5 20. Defendant shall pay all filing fees associated with its appearance in this action. In all
6 other respects, the parties hereto shall bear their own costs and attorneys' fees.

7 EXISTING LAW AND SEVERABILITY

8 21. Nothing contained herein shall be construed as relieving Defendant of the obligation
9 to comply with applicable local, California and federal laws, regulations and rules, nor shall any of
10 the provisions of this Judgment be deemed permission to engage in any act or practice prohibited
11 by such laws, regulations or rules.

12 22. Neither this Stipulated Judgment nor the stipulation for entry thereof shall be deemed
13 approval by Plaintiff of any of Defendant's business practices, and Defendant shall make no
14 representation that Plaintiff has given such approval.

15 23. Whenever possible each provision of this Stipulated Judgment shall be interpreted in
16 such a manner as to be effective and valid under applicable law, but if any provision of this
17 Stipulated Judgment shall be prohibited, void, invalid, or unenforceable under applicable law,
18 such provision shall be ineffective to the extent of such prohibition, voidability, invalidity or
19 unenforceability without invalidating the remaining provisions of this Stipulated Judgment, which
20 shall be given full effect without regard to the invalid provisions.

21 EFFECTIVE DATE

22 24. This Stipulated Judgment shall take effect immediately upon entry thereof, without
23 further notice to Defendant. Notwithstanding any other provision herein to the contrary, those
24 injunctive provisions of the Stipulated Judgment which are not currently required by applicable
25 law shall take effect ninety (90) days subsequent to entry of this Stipulated Judgment.

26 ///

27 ///

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

25. The clerk is ordered to enter this Stipulated Final Judgment and Permanent Injunction forthwith.

DATED: 8/1/13

ANTON LAM
JUDGE OF THE SUPERIOR COURT