EDWARD S. BERBERIAN, District Attorney ANDRES H. PEREZ, State Bar Number 186219 2 Deputy District Attorney 3501 Civic Center Drive, Room 130 3 San Rafael, California 94903-5207 AUG 27 2014 Telephone: (415) 473-6450 Fax Number: (415) 473-3719 4 KIM TURINDA, COUR DECOUUVE Officer MARIN COUNTY SUPERIOR COURT (For a List of Additional Plaintiff's Counsel, 5 Bu: C. Lucchesi, Deputu See Attachment "A".) 6 Attorneys for Plaintiff 7 8 9 SUPERIOR COURT OF CALIFORNIA 10 COUNTY OF MARIN 11 12 PEOPLE OF THE STATE OF CALIFORNIA, 13 FINAL JUDGMENT AND Plaintiff, PERMANENT INJUNCTION 14 15 LOWE'S HOME CENTERS, LLC, F/K/A 16 LOWE'S HIW, INC., 17 Defendant. Plaintiff, THE PEOPLE OF THE STATE OF CALIFORNIA, through 18 its attorneys, EDWARD S. BERBERIAN, the District Attorney for the 19 County of Marin, by Deputy District Attorney Andres H. Perez; 20 21

its attorneys, EDWARD S. BERBERIAN, the District Attorney for the County of Marin, by Deputy District Attorney Andres H. Perez; JACKIE LACEY, the District Attorney for the County of Los Angeles, by Deputy District Attorney Jeffrey A. McGrath; DEAN D. FLIPPO, the District Attorney for the County of Monterey, by Assistant District Attorney Anne M. Michaels; JAMES P. WILLETT, the District Attorney for the County of San Joaquin, by Deputy District Attorney David J. Irey; and BIRGIT FLADAGER, the District Attorney for the County of Stanislaus, by Deputy District Attorney Richard B. Mury, III, and Defendant Lowe's Home Centers, LLC (henceforth "Lowe's") appearing

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People v. Lowe's Home Centers, LLC: Final Judgment and Permanent Injunction



through its attorneys, Hunton & Williams LLP, by Ann Marie Mortimer and DLA Piper LLP, by George O'Connell; and, the Parties having stipulated that this Court has jurisdiction over them and the subject matter, and without the Parties' stipulation constituting an admission of any liability or wrongdoing:

IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

JURISDICTION

1. This action is brought under California law and this Court has jurisdiction of the subject matter and the parties.

APPLICABILITY

2. The provisions of this injunction are applicable to California Lowe's stores operated by defendant Lowe's Home Centers, LLC, its successors, all employees, and individual agents acting under, by, through, on behalf of, or in concert with Defendant with actual or constructive knowledge of this Judgment.

DEFINITIONS

- 3. For the purposes of this Final Judgment, the following definitions shall apply:
- A. "ACTUAL DIMENSIONS" means the true and accurate height, width, depth or circumference dimensions to which the product was manufactured.
- B. "LOWE'S DIMENSIONAL DESCRIPTION" means any shelf tag, store sign, flyer, newspaper or advertisement created by Lowe's or at Lowe's direction, which states or describes dimensions related to a good or product offered for sale at wholesale or retail by Lowe's.
- C. "MANUFACTURER DIMENSIONAL DESCRIPTION" means a sign, label, packaging, advertisement, catalogue, or other writing

containing a dimensional description provided by the PRODUCT SOURCE to describe the alleged dimensions of a STRUCTURAL DIMENSIONAL BUILDING PRODUCT.

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"NOMINAL DIMENSIONS" dimensions for D. means STRUCTURAL DIMENSIONAL BUILDING PRODUCTS that are not ACTUAL DIMENSIONS but comply in all respects with the requirements, standards and/or regulations set forth in the following U.S. Department of Commerce publications: Voluntary Product Standard PS (June 2010), or latest edition, for softwood lumber; 20-10, Voluntary Product Standard PS 2-10, (June 2011), or latest edition, for wood-based structural-use panels; Voluntary Product Standard PS 1-09, (May 2010), or latest edition, for Structural Plywood; and National Institute of Standards and Technology ("NIST") Handbook 130, 2012 Edition, Uniform Regulation for the Method of Sales of Commodities, Section 2.12, or latest edition, for hardwood lumber.

"NOMINAL DIMENSIONS PRODUCT" means a product Ε. described using NOMINAL DIMENSIONS instead of, or in addition to, ACTUAL DIMENSIONS and complying in all respects with the requirements, standards and/or regulations set forth in the following U.S. Department of Commerce publications: Voluntary Product Standard PS 20-10, (June 2010), or latest edition, softwood lumber; Voluntary Product Standard PS 2-10, (June 2011), or latest edition, for wood-based structural-use panels; Voluntary Product Standard PS 1-09, (May 2010), or latest edition, for and National Institute of Standards and Structural Plywood; Technology ("NIST") Handbook 130, 2012 Edition, Uniform Regulation for the Method of Sales of Commodities, Section 2.12, or latest edition, for hardwood lumber. Nominal Dimensions Products can be

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- F. "POPULAR OR COMMON PRODUCT DESCRIPTION" means a name or designation of STRUCTURAL DIMENSIONAL BUILDING PRODUCT by a measurement which is not the product's ACTUAL DIMENSIONS; for example, a synthetic wood (non-softwood) decking board popularly called 5/4 in X 6 in X L with ACTUAL DIMENSIONS of 1.08 in X 5.432 in X L. POPULAR OR COMMON PRODUCT DESCRIPTION can be used either with or without "in" or "ft" designations.
- G. "PRODUCT SOURCE" means the manufacturer, wholesaler, distributor, originator, or any other source providing the product to Lowe's.
- H. "STRUCTURAL DIMENSIONAL BUILDING PRODUCT" means a product commonly used in building construction and construction of home improvement projects and sold by Lowe's with reference to three dimensions: length, width/depth and thickness.
- AND MEASURES OFFICIAL" I. "WEIGHTS means any representative of the California Department of Food and Agriculture's Division of Measurement Standards, any or Director of County representative of a County Sealer а Agriculture, the Attorney General, Department of attorney, a city attorney or their agents.

INJUNCTION

- 4. Pursuant to Business and Professions Code sections
 17203 and 17535, Defendant is hereby permanently enjoined and
 restrained from directly or indirectly doing any of the following
 acts or practices in or from California.
- A. Selling any Structural Dimensional Building

 Product in less quantity than represented in violation of Business

and Professions Code §12024, except for Nominal Dimensions Products or as set forth in Paragraphs 6 and 7.

- B. Packaging or affixing to any STRUCTURAL DIMENSIONAL BUILDING PRODUCT a label that misstates or misrepresents any of the STRUCTURAL DIMENSIONAL BUILDING PRODUCT'S ACTUAL DIMENSIONS, in violation of Business and Professions Code \$12602, except for NOMINAL DIMENSIONS PRODUCTS or as set forth in Paragraphs 6 and 7.
- C. Selling any NOMINAL DIMENSIONS PRODUCT in less quantity than set forth under the current NOMINAL DIMENSIONS in violation of Business and Professions Code §§12024 and 12602.
- PRODUCTS, making or disseminating or causing to be made or disseminated in any newspaper or other publication, or by any advertising device, or by public outcry or proclamation, or in any other manner or means whatever, including over the Internet any statement which is untrue or misleading, and which is known, or which by the exercise of reasonable care should be known, to be untrue or misleading in violation of Business and Professions Code \$17500. For purposes of this Judgment only, the use of NOMINAL DIMENSIONS to describe products that meet the definition of NOMINAL DIMENSIONS PRODUCTS will not be considered untrue or misleading statements within the meaning of Business and Professions Code \$17500.
- 5. Defendant is under no obligation to measure or verify the ACTUAL DIMENSIONS of STRUCTURAL DIMENSIONAL BUILDING PRODUCTS which come with MANUFACTURER DIMENSIONAL DESCRIPTIONS and may reproduce in whole or in part MANUFACTURER DIMENSIONAL DESCRIPTIONS

or create LOWE'S DIMENSIONAL DESCRIPTIONS based upon MANUFACTURER DIMENSIONAL DESCRIPTIONS, provided Lowe's does the following:

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A. Maintains and produces for any WEIGHTS AND MEASURES OFFICIAL, upon request and within five business days, copies of the MANUFACTURER DIMENSIONAL DESCRIPTION relied upon by Lowe's in connection with any STRUCTURAL DIMENSIONAL BUILDING PRODUCT that is allegedly in violation of the laws and regulations related to STRUCTURAL DIMENSIONAL BUILDING PRODUCTS or the terms of this Judgment.

6. Defendant shall not be in violation of Paragraph 4 of this Judgment if the false, misleading, deceptive or inaccurate writing or statement which forms the basis for the violation is a MANUFACTURER DIMENSIONAL DESCRIPTION or a LOWE'S DIMENSIONAL DESCRIPTION based on a MANUFACTURER DIMENSIONAL DESCRIPTION and otherwise complies with Paragraph 5 of this Judgment, unless Lowe's was notified in writing by the PRODUCT SOURCE or by a WEIGHTS AND MEASURES OFFICIAL of the false, misleading, deceptive or inaccurate MANUFACTURER DIMENSIONAL DESCRIPTION or LOWE'S DIMENSIONAL DESCRIPTION.

A. If Lowe's is notified in writing by the PRODUCT SOURCE or by a WEIGHTS AND MEASURES OFFICIAL that the MANUFACTURER DIMENSIONAL DESCRIPTION or LOWE'S DIMENSIONAL DESCRIPTION based on a MANUFACTURER DIMENSIONAL DESCRIPTION is false, misleading, deceptive or inaccurate, Lowe's shall either immediately: (1) remove all non-conforming product from sale; or (2) permanently correct any false, misleading, deceptive or inaccurate MANUFACTURER DIMENSIONAL DESCRIPTION or LOWE'S DIMENSIONAL DESCRIPTION by immediately removing the false, misleading, deceptive or inaccurate

description or posting a notice to customers directing them to check with store personnel for product information. Notice by a WEIGHTS AND MEASURES OFFICIAL, for this paragraph, needs only be served on a store manager and WEIGHTS AND MEASURES OFFICIALS will attempt to provide a courtesy copy to Lowe's Legal Department.

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B. If immediate removal or permanent correction is not practical, Lowe's shall display in place of the offending writing or statement displayed to consumers relating to the product, a writing, no smaller than the offending writing or statement, notifying customers of the alleged false, misleading, deceptive or inaccurate dimensional description and correcting it ("Correction Notice"). The Correction Notice shall be securely fashioned to the product display. The Correction Notice shall remain in place until either the non-conforming product is removed from sale or the false, misleading, deceptive, or the inaccurate LOWE'S DIMENSIONAL DESCRIPTION or MANUFACTURER'S DIMENSIONAL DESCRIPTION is permanently corrected in-store. A Correction Notice shall be displayed by the end of the following business day in any store where written notice was given by the WEIGHTS AND MEASURES In all other stores in California with non-conforming product that is false, misleading, deceptive or inaccurate as identified in the written notice provided by a Weights & Measures Official, Lowe's shall display Correction Notices within five business days of the original written notice.

C. Lowe's shall have a reasonable time to remove all non-conforming product or permanently correct the false, misleading, deceptive or inaccurate LOWE'S DIMENSIONAL DESCRIPTION based on the MANUFACTURER DIMENSIONAL DESCRIPTION, such period to

be no more than thirty days. For purposes of this provision, non-conforming product shall mean STRUCTURAL DIMENSIONAL BUILDING PRODUCT where the stated dimensional description is false, misleading, deceptive or inaccurate.

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D. In no event shall Defendant be deemed in violation of this injunction if the Defendant removes the non-conforming product from sale or permanently corrects the false, misleading, deceptive or inaccurate LOWE'S DIMENSIONAL DESCRIPTION within the time specified by this Injunction. In no event shall Lowe's be responsible for making corrections to any false, misleading, deceptive or inaccurate MANUFACTURER DIMENSIONAL DESCRIPTIONS on the actual packaging itself provided by the PRODUCT SOURCE. The issuance of a Notice of Violation or other regulatory action by WEIGHTS AND MEASURES OFFICIALS shall not create a presumptive violation of this injunction but shall constitute written notice as set forth in this paragraph.

E. With respect to alleged violations under this Paragraph, Lowe's shall maintain record of inaccurate MANUFACTURERS DIMENSIONAL DESCRIPTIONS, detailing the date, time of discovery and copies of notifications to/from the manufacturers, and all affected Lowe's stores. Defendant shall retain copies of these inaccuracy notifications for a period of twelve (12) months from the date of discovery and make a copy of these records WEIGHTS AND MEASURES OFFICIALS within ten available to business days upon request of said WEIGHTS AND MEASURES OFFICIALS.

F. Nothing in this paragraph 6 is intended to nor shall it prevent WEIGHTS AND MEASURES OFFICIALS from enforcing their statutory duties.

7. All LOWE'S DIMENSIONAL DESCRIPTIONS using POPULAR OR COMMON PRODUCT DESCRIPTIONS, including shelf tags, store signs, flyers, newspapers, advertisement or any other writing concerning a STRUCTURAL DIMENSIONAL BUILDING PRODUCT which also states the ACTUAL DIMENSIONS, shall not be in violation of this injunction providing each of the following requirements are met:

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A. The words "Actual Dimensions" or words of similar immediately followed by the ACTUAL DIMENSIONS must be easily visible to the consumer and appear on the shelf tags, store signs, flyers, newspapers, advertisement or writing, immediately above, below or adjacent to (not in a footnote) the POPULAR or COMMON PRODUCT DESCRIPTIONS. The words "Actual Dimensions", "Actual "Actual", or words of similar import and the ACTUAL DIMENSIONS shall appear in the same font, style, color, and at least the same font size as the POPULAR PRODUCT DESCRIPTION. respect to this subparagraph, Lowe's may seek a modification of the injunction after a 60 day meet and confer process with the District Attorneys if either changes in the law, common business practices, technological changes shall provide alternative displaying "Actual" or "Actual Size" as prominently as "Popular Product Description".

- B. The POPULAR OR COMMON PRODUCT DESCRIPTION is clearly described as "Popular Name", "Popular Description", "commonly called", "Common" or words of similar import; and,
- C. All dimension statements contained in LOWE'S DIMENSIONAL DESCRIPTIONS and permitted or required by this paragraph shall conform with the inch-pound unit, and shall use letter abbreviations, such as "in", "ft", "yd", and shall not use

symbols such as "', ", "". The, shelf tag, store sign, flyer, newspaper, or advertisement or statement when considered as a whole shall not be deceptive or misleading. None of LOWE'S DIMENSIONAL DESCRIPTIONS shall be considered product labels where products bear vendor supplied tags, packaging or labels.

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8. In the event that Defendant believes that the People have entered into an injunction with any other seller of STRUCTURAL DIMENSIONAL BUILDING said STRUCTURAL PRODUCTS, regarding DIMENSIONAL BUILDING PRODUCTS that Defendant believes is less restrictive than the injunctive provisions required herein, Defendant shall have the right to seek modification of this Judgment to reflect the alleged less restrictive terms. After three years, should Defendant believe that based on significantly changed circumstances any injunctive provision of this Judgment may be putting Defendant at a competitive disadvantage, Defendant may seek a modification of the provision of the Judgment to address the significant change in circumstance. At any time in the event of a change in the law, Lowe's may seek to modify this injunction to take into account such change in the law. Prior to seeking any such modifications, Defendant shall provide written notice to the prosecutors that have brought this action stating that Defendant intends to seek the modification. The parties shall have sixty (60) days in which to meet and confer concerning the modification. If the parties are unable to agree on a modification to this Judgment, Defendant may file a motion with the Court seeking a modification of the Judgment.

9. The injunctive provisions of this Judgment are in addition to all other obligations and duties imposed by law.

Nothing in this injunction shall be deemed to permit or authorize any violation of local, state or federal law, rule or regulation or otherwise be construed to relieve defendant of any duty to comply with the applicable laws, rules and regulations; nor shall anything herein be deemed to constitute permission to engage in any acts or practices prohibited by such laws, rules or regulations; nor shall this injunction be deemed to be more restrictive than, supersede or replace any local, state or federal law, rule or regulation.

10. Before taking any action to initiate an Order To Show Cause regarding an alleged violation of this injunction, the Plaintiffs shall notify Lowe's of the nature of the alleged violation and the basis for the requested Order to Show Cause. Notice shall be provided in accordance with Paragraph 16 below at least seven business days before any Order to Show Cause or other enforcement action is filed by any of the five District Attorney's Offices who are party to this Judgment.

MONETARY RELIEF

11. Pursuant to Business and Professions Code sections
17206 and 17536 Lowe's shall, on the date of the filing of this
Final Judgment, pay to Plaintiff the sum of \$1,400,000.00 as civil
penalties. Pursuant to Government Code Section 26506, these civil
penalties shall be divided equally and paid to the county of each
of the prosecuting agencies bringing this action. Said payment
shall be made in the form of a check payable as follows: "Marin
County District Attorney's Office".

12. Pursuant to Business and Professions Code sections
17203 and 17535 Lowe's shall, on the date of the filing of this
Final Judgment, pay to Plaintiff the sum of \$72,343.15, as and for

costs. Said payment shall be made in the form of checks payable to the Marin County District Attorney's Office and shall be distributed by the Marin District Attorney as follows:

Agency	Amount
Ca. Division of Measurement Standards	\$65,371.28
Merced Department of Weights and Measures	\$ 102.00
Sacramento Department of Weights and Measures	\$ 1,400.00
Santa Clara Department of Weights and Measures	\$ 948.06
Sonoma Department of Weights and Measures	\$ 127.50
Stanislaus Department of Weights and Measures	\$ 4,110.31
Yolo Department of Weights and Measures	\$ 284.00

consumers who suffered actual loss, the impracticality of providing direct restitution to said consumers, and the disproportionate costs of making restitution to individual consumers, which would far exceed the benefit consumers would gain, the parties agree that Lowe's shall pay, pursuant to Business and Professions Code §§17203 and 17535, cy pres restitution in the sum of \$150,000.00. Said cy pres restitution shall be divided equally between the California Department of Food and Agriculture, Division of Measurement Standards, to be used for the "quality control" and/or "price verification" program, and the Consumer Protection Prosecution Trust Fund established in the case of People v. ITT Consumer Financial Corporation (Alameda Superior Court No. 6560380). The payment required under this paragraph shall be made by bank check payable to the "Marin County District Attorney's Office".

14. This Final Judgment represents the complete and final settlement of all claims that have been or could have been brought

by the District Attorneys who are parties to this action against

Defendant arising from or relating to the subject matter of the

Complaint herein which acts occurred prior to the date of entry of
this Judgment and occurred in the jurisdictions of the respective

District Attorneys' offices.

15. The court having reviewed the Complaint, Stipulation, and this Judgment, finds that this Stipulated Final Judgment and Permanent Injunction is a just, reasonable, and equitable resolution, entered in good faith, and is adequate to protect the public from the occurrence in the future of the conduct alleged in the Complaint and to provide complete satisfaction of the public interest in the conduct that is the subject of this Final Judgment, including full and adequate restitution to the public of any allegedly unjust gains that may have been obtained from such conduct.

NOTICE

16. Except where otherwise noted, where notice is to be given under the terms of this Injunction, it shall be sent by first class mail to Lowe's Legal Department, ATTN: General Counsel 1000 Lowes Blvd., Mooresville, NC 28117, as well as to Lowe's Counsel of Record: George O'Connell, DLA Piper, 400 Capitol Mall, Suite 2400, Sacramento, CA 95814-4428, and Ann Marie Mortimer, Hunton & Williams, 550 S. Hope St, Suite 2000, Los Angeles, CA 90071, as well as be given to any other person designated in this Injunction for such notice.

RETENTION OF JURISDICTION

17. Jurisdiction is retained for the purpose of enabling any party to this Final Judgment to apply to the Court at any time

1 for such further orders and directions as may be necessary and 2 appropriate for the construction or carrying out the injunctive provisions of this Final Judgment, for the modification or termination of any of its injunctive provisions, and for the enforcement of, compliance with, and punishment of violations of 6 the Final Judgment. However, Defendant shall not seek to terminate the injunctive provisions of this Judgment for at least ten years subsequent to its entry, except as provided herein. If ten years have elapsed and Defendant seeks to terminate this injunction, it shall give at least 30 days notice to each District Attorney's office that is a party to this Final Judgment. JUDGEMENT ENTRY, EFFECTIVENESS AND WAIVER OF APPEAL AND SERVICE 18. The parties waive the right to appeal this Final Judgment and waive service and notice of said judgment. 19. This Final Judgment will become effective upon entry hereof with the exception of Paragraphs 4 through 7 which will become effective one hundred and eighty (180) days after the date of entry of this Final Judgment. 20. The clerk is ordered to immediately enter this Judgment.

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AUG 2 7 2014

PAUL M. HAAKENSON

Judge of the Superior Court

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1	ATTACHMENT "A"
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3	JACKIE LACEY District Attorney, County of Los Angeles Jeffrey A. McGrath, State Bar No. 131702
4	Deputy District Attorney 201 Figueroa Street, Room 1200
5	Los Angeles, California 90012 Telephone: (213) 580-8718
6	_
7	DEAN D. FLIPPO, District Attorney, County of Monterey
8	ANNE M. MICHAELS, State Bar No. 136134 Assistant District Attorney
9	1200 Aguajito Road, Room 301 Monterey, California 93430 Telephone: (831) 647-7770
10	-
11	JAMES P. WILLETT District Attorney, County of San Joaquin DAVID J. IREY, State Bar No. 142864
12	Deputy District Attorney 222 E. Webber Street, Room 202
13	Stockton, California 95202 Telephone: (209) 468-2470
14	BIRGIT FLADAGER
15	District Attorney, County of Stanislaus RICHARD B. MURY, III, State Bar No. 128771
16	Deputy District Attorney 832 12 th Street, Room 300
17	Modesto, California 95354 Telephone: (209) 525-5550
18	receptione. (205) 525 555
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