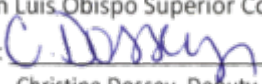


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By: 
Christine Dossey, Deputy Clerk

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6 Attorneys for Plaintiff
See Attachment A for more Plaintiff's counsel
7

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 FOR THE COUNTY OF SAN LUIS OBISPO

10
11 THE PEOPLE OF THE STATE OF
CALIFORNIA, Plaintiff,

Case No.: 23CV-0547

12
13 v.

COMPLAINT FOR INJUNCTION,
CIVIL PENALTIES, AND OTHER
EQUITABLE RELIEF

14
15 ADVANCE AUTO PARTS, INC., a
Delaware Corporation; GENERAL PARTS
INTERNATIONAL, INC., a North Carolina
16 Corporation; GENERAL PARTS, INC., a
North Carolina Corporation; LEE
17 HOLDINGS NC, INC., a Delaware
corporation; GOLDEN STATE SUPPLY
18 LLC, a Nevada Limited Liability Company;
and WORLDWIDE AUTO PARTS a
19 California corporation, dba CARQUEST
AUTO PARTS, and DOES 1-10, Inclusive,
20 Defendants.

***[VERIFIED ANSWER REQUIRED –
Code of Civ. Proc., § 446]***

21
22 Plaintiff, the People of the State of California, by and through Dan Dow, District Attorney of
23 San Luis Obispo County, Summer Stephan, District Attorney of San Diego County, and John T.
24 Savrnoch District Attorney of Santa Barbara County (District Attorneys) acting on information and
25 belief, allege:

26 I.

27 **INTRODUCTION**

28 1. California consumers are entitled to believe that the price retail stores advertise is

1 the price the consumer will pay. This lawsuit alleges that the Defendants violated California law by
2 routinely overcharging consumers in a manner that was unlawful, unfair, and fraudulent. Through
3 this lawsuit, Plaintiff, the People of the State of California seek to correct Defendants' behavior and
4 ensure a fair marketplace for California consumers and businesses.

5 2. The California Department of Food and Agriculture's Division of Measurement
6 Standards (DMS) is responsible for enforcing weights and measures laws in California. DMS works
7 closely with county sealers of weights and measures ("county sealers"), who carry out the majority
8 of weights and measures enforcement activities at the local level. Both DMS and county sealers
9 operate with the goal of ensuring fair and honest competition for industry and accurate value
10 comparisons for consumers.

11 3. To accomplish price accuracy goals, county sealers routinely, and on a regular basis,
12 conduct price accuracy inspections at retailers within their county. During these inspections, county
13 inspectors visit stores and purchase a set of items based on standardized guidelines to ensure the
14 store is charging consumers the lowest posted or advertised price—as the law requires. California's
15 regulations trigger a reinspection for inspections that result in more than 2% of the items being
16 overcharged. Most retail stores in California have no overcharges noted during routine inspections
17 by county sealers.

18 4. As of December 31, 2022, Defendant CARQUEST AUTO PARTS had 330 stores
19 in North America serving professional and "do-it-yourself" customers. CARQUEST AUTO PARTS
20 stores carry a wide variety of aftermarket auto parts products for both domestic and import vehicles.
21 Between 2017 and 2023, CARQUEST AUTO PARTS has knowingly and intentionally violated the
22 law by consistently overcharging consumers in violation of California law and in violation of a 2012
23 Final Judgment prohibiting Defendant from engaging in the exact same conduct.

24 5. Between 2017 and 2023, county sealers in at least nine counties, conducted
25 inspections of company-owned CARQUEST AUTO PARTS locations, revealing at least 24 separate
26 locations had failed inspections. Inspections conducted from 2017 to 2021 revealed that
27 CARQUEST AUTO PARTS overcharged an average of 12% of the items purchased during
28 inspections.

DEFENDANTS AND BUSINESS OPERATIONS

10. Defendant, LEE HOLDINGS NC, INC. (LEE), a Delaware corporation with its principal place of business at 2635 E. Millbrook Rd., Raleigh North Carolina, 27604 owns the brand and trademark for CARQUEST AUTO PARTS. LEE has licensed its CARQUEST brand to its affiliates GOLDEN STATE SUPPLY LLC, a Nevada Limited Liability Company (GOLDEN STATE SUPPLY), with a mailing address 5008 Airport Road NW Roanoke, Virginia 24012 and WORLDWIDE AUTO PARTS, a California corporation (WORLDWIDE AUTO PARTS), with their principal executive offices at 4200 Six Forks Road, Raleigh, North Carolina 27609. GOLDEN STATE SUPPLY and WORLDWIDE AUTO PARTS own and operate at least 56 CARQUEST AUTO PARTS stores in California that engage in the business of retail sales to the public. LEE, GOLDEN STATE SUPPLY and WORLDWIDE AUTO PARTS are owned by GENERAL PARTS, INC., a North Carolina Corporation which is in turn owned by GENERAL PARTS INTERNATIONAL, INC., a North Carolina Corporation, with a mailing address of 5008 Airport Road NW Roanoke Virginia 24012. In January 2014, ADVANCE AUTO PARTS, INC., a Delaware Corporation, with its principal place of business at 4200 Six Forks Road, Raleigh, North Carolina 27609, purchased GENERAL PARTS INTERNATIONAL, INC.

11. Some of the CARQUEST AUTO PARTS stores are company-owned and others are independently-owned stores that operate under the “Carquest” name. Although inspections revealed a few violations at independently owned stores, the vast majority of the violations occurred at company-owned stores. This lawsuit is limited to the violations that occurred at those company-owned stores.

12. The true names and capacities of Defendants DOES 1 through 10 are unknown to Plaintiff, and Plaintiff will seek leave of court to amend this complaint to allege such names and capacities as soon as they are ascertained under the provisions of Code of Civil Procedure section 474. Defendants DOES 1 through 10 are in some manner responsible for the events alleged herein.

13. Whenever reference is made in this Complaint to any act of a corporate defendant, that allegation shall mean that corporation did the acts alleged in this complaint through its officers,

1 directors, employees, agents and/or representatives while they were acting within the actual or
2 ostensible scope of their authority.

3 V.

4 **FACTUAL ALLEGATIONS**

5 14. In February of 2012, the San Diego Superior Court entered a Final Judgement, case
6 number 37-2012-00092632-CU-BT-CTL, to resolve a case involving CARQUEST AUTO PARTS
7 (which at that time was owned and operated by GOLDEN STATE SUPPLY, LLC. and
8 WORLDWIDE AUTO PARTS) (hereinafter “the 2012 Final Judgment”). The resolved causes of
9 action included violations of the False Advertising Law (“FAL”) (Bus. & Prof. Code § 17500 et
10 seq.), and the Unfair Competition Law (“UCL”) (Bus. & Prof. Code § 17200 et seq.). The 2012
11 Final Judgment imposed a permanent injunction prohibiting further violations of the FAL and UCL
12 and prohibiting CARQUEST AUTO PARTS from charging consumers a higher price than the price
13 advertised pursuant to Business and Professions Code section 12024.2 (hereinafter “the 2012
14 Permanent Injunction”).

15 15. Within only five years of entering into the 2012 Permanent Judgment (by 2017 and
16 2018) inspectors from several county sealers offices noted overcharges at CARQUEST stores. The
17 violations at CARQUEST AUTO PARTS stores have persisted despite county sealers taking
18 administrative action by serving Notices of Violations (“NOV”) and Notices of Pending Actions
19 (“NOPA”). These NOVs and NOPAs have been accompanied by thousands of dollars in
20 administrative fines, yet CARQUEST AUTO PARTS has continued to overcharge consumers.

21 16. Los Angeles County weights and measures officials escalated enforcement from
22 administrative action to criminal prosecution. On July 10, 2019, WORLDWIDE AUTO PARTS
23 pleaded no contest to a violation of Business and Professions Code section 12024.2 for overcharges
24 discovered during a routine inspection at a Van Nuys CARQUEST store. A few months later, on
25 October 23, 2019, WORLDWIDE AUTO PARTS pleaded no contest to another violation of
26 Business and Professions Code section 12024.2 after routine inspections in 2018 revealed
27 overcharges at three separate CARQUEST Stores in Los Angeles County.

28 17. In August of 2021, Plaintiff contacted CARQUEST AUTO PARTS to discuss the

1 many failed inspections that occurred between 2017 and 2021. Plaintiff outlined for Defendant the
2 results of the inspections and discussed what was needed to correct the violations.

3 18. Despite the NOV's, NOPAs, two criminal cases, and multiple meetings with
4 Plaintiff, CARQUEST AUTO PARTS has not increased its rate of compliance. In fact, as detailed
5 above in Paragraph 6, the failure and overcharge rates have actually increased. Unfortunately for
6 consumers, this means that they may be overcharged for nearly one-in-four of the items they
7 purchase from a CARQUEST AUTO PARTS store.

8 19. California law requires retail stores to charge consumers the lowest advertised price.
9 The People bring this civil law enforcement action to compel compliance by Defendant CARQUEST
10 AUTO PARTS and its subsidiaries, affiliates and parent companies, with the FAL, UCL, and 2012
11 Final Judgment, in order to seek (1) injunctive relief; (2) civil penalties for Defendants' violations
12 of the FAL, UCL, and 2012 Permanent Judgment; and (3) restitution for California consumers who
13 have been aggrieved by Defendants' violations of the UCL, FAL, and the 2012 Final Judgment.

14 VI.

15 CAUSES OF ACTION

16 FIRST CAUSE OF ACTION

17 FALSE ADVERTISING

18 VIOLATION OF BUSINESS AND PROFESSIONS CODE SECTION 17500

19 (Against All Defendants)

20 20. Plaintiff realleges and incorporates herein by reference paragraphs 1 through 19 of this
21 complaint as though they were set forth herein in their entireties.

22 21. Beginning on an exact date unknown to Plaintiff, but within three years prior to the
23 filing of this Complaint, and continuing to the present, Defendants, and each of them, with the intent
24 directly or indirectly to induce members of the public to purchase Defendants' retail products, have
25 made or caused to be made advertising, shelf and sign price representations to the public in California
26 that were false or misleading in violation of California's False Advertising Law, Business and
27 Professions Code section 17500.

1 26. In relevant part, Business and Professions Code section 17207(a) provides: “Any
2 person who intentionally violates any injunction prohibiting unfair competition issued pursuant to
3 Section 17203 shall be liable for a civil penalty not to exceed six thousand dollars (\$6,000) for each
4 violation. Where the conduct constituting a violation is of a continuing nature, each day of that
5 conduct is a separate and distinct violation.”

6 27. At the time of the 2012 Final Judgment, CARQUEST AUTO PARTS was owned
7 and operated by GOLDEN STATE SUPPLY and WORLDWIDE AUTO PARTS. The causes of
8 action resolved in that case included violations of the FAL and the UCL. The 2012 Final Judgment
9 and Permanent Injunction prohibited CARQUEST AUTO PARTS from charging consumers a
10 higher price than the price advertised. The terms of the injunction were ordered by the Court to
11 apply to any successor company that would purchase CARQUEST AUTO PARTS.

12 28. The 2012 Final Judgment applies to all named Defendants by its terms as stated in
13 paragraph 2:

14 The provisions of this Judgment are applicable to defendant GOLDEN STATE
15 SUPPLY LLC, including its subsidiary WORLDWIDE AUTO PARTS INC.
16 (together, “Defendants”), and to the successors and assignees of Defendants, and to
17 all persons, partnerships, corporations, and other entities acting for, through, or on
18 behalf of, or in concert with Defendants’ operation of retail stores in California,
with actual or constructive notice of this Judgment. All obligations imposed upon
Defendants by the terms of this Judgment are ordered pursuant to Business and
Professions Code sections 17203 and 17535.

19 29. After the 2012 Final Judgment, it is alleged that Defendant ADVANCE AUTO
20 PARTS, INC. acquired Defendant GENERAL PARTS INTERNATIONAL, INC., and all of its
21 wholly owned subsidiaries, including GOLDEN STATE SUPPLY LLC., WORLDWIDE AUTO
22 PARTS, and LEE HOLDINGS NC INC. Therefore, as part of this acquisition, the Defendants
23 became successors and assignees, having legally accepted the terms and obligations of the 2012
24 Final Judgment.

25 30. As alleged in the paragraphs above, CARQUEST AUTO PARTS violated the 2012
26 Final Judgment. Defendants’ violations of the injunction provisions were continuous, willful, and
27 intentional.
28

1 8. Plaintiff recover its costs, including costs of investigation and prosecution, and those
2 of other law enforcement or regulatory agencies pursuant to statute, including but not limited to
3 Business and Professions Code section 12015.5, and as appropriate; and

4 9. Plaintiff have such other and further relief as the nature of the case may require and the
5 court deems appropriate and just.

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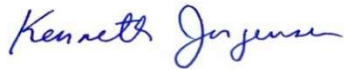
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1 Dated: September 27, 2023

Respectfully Submitted,
DAN DOW
District Attorney of San Luis Obispo



KENNETH JORGENSEN
Deputy District Attorney
Attorneys for Plaintiff
People of the State of California

8 Dated: Sep 27, 2023

Respectfully Submitted,
SUMMER STEPHAN
District Attorney of San Diego County



Kathryn Turner (Sep 27, 2023 10:51 PDT)

KATHRYN TURNER
Prosecuting Attorney
Attorneys for Plaintiff
People of the State of California

16 Dated: Sep 27, 2023

Respectfully Submitted,
JOHN T. SAVRNOCH
District Attorney of Santa Barbara



Morgan S. Lucas (Sep 27, 2023 11:27 PDT)

MORGAN LUCAS
Deputy District Attorney
Attorneys for Plaintiff
People of the State of California

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Attachment A

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