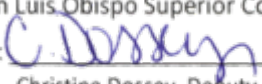


1 DAN DOW  
District Attorney of San Luis Obispo County  
2 By: Kenneth J. Jorgensen (SBN: 220887)  
Deputy District Attorney  
3 1035 Palm Street, Room 450  
San Luis Obispo, CA 93408  
4 Telephone: (805)781-5800  
Email: kjorgensen@co.slo.ca.us

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San Luis Obispo Superior Court  
By:   
Christine Dossey, Deputy Clerk

5  
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,  
12 Plaintiff,

Case No.: 23CV-0547

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 NOVs, 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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1 Dated: September 27, 2023

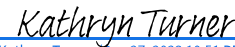
Respectfully Submitted,  
DAN DOW  
District Attorney of San Luis Obispo



\_\_\_\_\_  
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**

Attorneys for Plaintiff  
PEOPLE OF THE STATE OF CALIFORNIA

SUMMER STEPHAN  
District Attorney of San Diego County  
Kathryn Lange Turner, SBN 151477  
Deputy District Attorneys  
330 West Broadway, Suite 1300  
San Diego, California 92101  
Telephone: (619) 531-3971

JOHN T. SAVRNOCH  
District Attorney of Santa Barbara County  
Morgan S. Lucas, SBN: 288401  
Deputy District Attorney  
1112 Santa Barbara St.  
Santa Barbara, CA 93101  
Telephone: (805) 568-2418  
Email: mlucas@countyofsb.org