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8 Attorneys for Plaintiff  
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10 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
11 COUNTY OF SACRAMENTO  
12

13 **PEOPLE OF THE STATE OF CALIFORNIA, ex.**  
14 **Rel. BILL LOCKYER, Attorney General of the**  
**State of California,**

15 Plaintiff,

16 v.

17 **M/S MOHANLAL HARDOVINDDAS, a foreign**  
18 **corporation,**

19 Defendant.  
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CASE NO.05AS03311

**NOTICE OF ENTRY OF  
JUDGMENT**

1 PLEASE TAKE NOTICE that on June 26, 2006, the Sacramento Superior Court per  
2 Judge Loren E. McMaster issued a Judgment in the above captioned action. A true copy of the  
3 Judgment is attached hereto as Exhibit A and incorporated by reference hereto.

4  
5 Dated: 6.30.06  
6

7 Respectfully submitted,  
8 BILL LOCKYER  
Attorney General of the State of California

9 THOMAS GREENE  
Chief Assistant Attorney General

10 DENNIS ECKHART  
11 Senior Assistant Attorney General

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13 CORINNE L. MURPHY  
14 Deputy Attorney General  
15 Attorneys for Plaintiff  
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## **EXHIBIT A**

1 BILL LOCKYER  
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9 Attorneys for Plaintiff

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
11 COUNTY OF SACRAMENTO  
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13 **PEOPLE OF THE STATE OF CALIFORNIA, ex.**  
14 **Rel. BILL LOCKYER, Attorney General of the**  
15 **State of California,**

16 Plaintiff,

17 v.

18 **M/S MOHANLAL HARDOVINDDAS, a foreign**  
**corporation,**

19 Defendant.  
20

CASE NO. 05AS03311

**[PROPOSED] JUDGMENT BY**  
**COURT AFTER DEFAULT**

21 THIS MATTER is before the Court on *Plaintiff's Request for Entry of Default*  
22 *Judgment* against Defendant **M/S MOHANLAL HARDOVINDDAS, a foreign corporation,**  
23 (hereafter, "**MOHANLAL**"). This Court has considered *Plaintiff's Request for Entry of Default*  
24 *Judgment* and accompanying declarations, papers and exhibits thereto, and the entire record in  
25 this matter and hereby finds as follows:

26 1. The Attorney General of the State of California brings this action on behalf of  
27 Plaintiff, the People of the State of California, pursuant to California Health and Safety Code  
28 section 104557(c), to enforce the reserve fund requirements of California Health and Safety Code

FILED  
ENDORSED

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SACRAMENTO COURTS  
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1 sections 104555-104557.

2 2. The Defendant, **MOHANLAL**, is a company that has transacted and is  
3 transacting business in California and manufactures cigarettes as defined in California Health and  
4 Safety Code section 104556(i)(1).

5 3. At least thirty (30) days have passed since the date of service of the Summons and  
6 Verified Complaint and **MOHANLAL** has failed to appear and defend in this court.

7 4. **MOHANLAL** was not at the time of service of said Summons and Verified  
8 Complaint, nor is now, an infant or minor, a financially incapable, incapacitated or incompetent  
9 person, nor in the military service as defined by Article 1 of the "Soldiers' and Sailors' Civil  
10 Relief Act of 1940" as amended (50 U.S.C. Appen. § 501 et seq.).

11 5. Jurisdiction has been reviewed and is proper pursuant to California Code of Civil  
12 Procedure, section 410.10.

13 6. Venue has been reviewed and is proper pursuant to California Code of Civil  
14 Procedure, section 393.

15 7. **MOHANLAL** has failed and continues to fail and/or refuse to comply or  
16 otherwise bring itself into compliance with the reserve fund requirements of California Health  
17 and Safety Code, sections 104555-104557 and implementing regulations (Title 11, Calif. Code of  
18 Reg., §§ 999.10a through 999.14).

19 8. **MOHANLAL** has engaged in and continues to engage in acts of unfair  
20 competition as defined in California Business & Professions Code, section 17200, in that  
21 **MOHANLAL** has failed to establish the required reserve fund and failed to certify compliance  
22 to the Attorney General, in violation of California Health and Safety Code sections 104555,  
23 104556, and 104557 and implementing regulations.

24 9. Notwithstanding notice, **MOHANLAL** failed to establish a Qualified Escrow  
25 Fund (as defined in California Health and Safety Code section 104556(f)) and also failed to make  
26 the annual deposits as required under California Health and Safety Code section 104557.  
27 Accordingly, **MOHANLAL**'s actions constitute "knowing" violations.

28 10. **MOHANLAL** has committed two or more knowing violations of California

1 Health and Safety Code section 104557 and is therefore subject to the maximum sanctions and  
2 penalties provided for under the reserve fund requirements of California Health and Safety Code  
3 section 104557.

4 **THEREFORE**, default having been entered by the clerk against **MOHANLAL**, as  
5 requested by Plaintiff, **JUDGMENT** is accordingly entered in favor of the Plaintiff and against  
6 **MOHANLAL** with respect to all claims, **AS FOLLOWS**:

7 A. **MOHANLAL** shall, within fifteen (15) days of this Order, place into a Qualified  
8 Escrow Fund the following amounts as such amounts are adjusted for inflation as required by  
9 California Health and Safety Code section 104557(a)(2):

10 **Sales during the year 2003:**  
11 **(126,000 units x \$0.0167539) plus 16.36276% for inflation for a total of**  
**\$2,456.41.**

12 B. **MOHANLAL** shall, within fifteen (15) days of this Order, provide Plaintiff with a  
13 list of the names of all cigarette brands manufactured by **MOHANLAL**, as well as unit sales  
14 information and supporting documentation for sales in California in 2003.

15 C. **MOHANLAL** shall, within fifteen (15) days of this Order, pay civil penalties in the  
16 amount of 300% of the escrow amounts improperly withheld, for a total of **\$7,369.23** for  
17 knowingly violating California Health and Safety Code section 104557(a)(2), (c), by failing to  
18 certify to the Attorney General for the State of California that it is in compliance with  
19 California's reserve fund statute and for knowingly failing to establish a qualified escrow fund  
20 as defined under California Health and Safety Code section 104556(f) and knowingly failing to  
21 deposit sufficient escrow funds into a qualified escrow fund as required under California Health  
22 & Safety Code section 104557.

23 D. Pursuant to California Health and Safety section 104557(c)(3), **MOHANLAL** is  
24 hereby enjoined and otherwise prohibited from selling *any* cigarettes in California for a two-year  
25 period commencing from the date of this Order, either directly or through a distributor, retailer or  
26 other intermediary, *including but not limited to*, the following brands: "Sher Bidi" and "Guru."

27 E. Pursuant to Business and Professions Code section 17206, **MOHANLAL** shall,  
28 within fifteen (15) days from the date of this Order, pay a penalty of \$2,500.00 for each violation

1 of Business and Professions Code section 17200 alleged in the Third Cause of Action, for a total  
2 assessed penalty of \$2,500.00 in addition to the penalty specified in Paragraph C of this  
3 judgment.

4 F. **MOHANLAL** shall, within fifteen (15) days from the date of this Order, shall appoint  
5 an agent for service of process in California (pursuant to Revenue & Taxation Code section  
6 30165.1(f)(1) for enforcement of this judgment and order until this judgment is satisfied, the  
7 order is obeyed and the injunction is dissolved.

8 G. The Court shall retain jurisdiction in this matter.

9 H. **MOHANLAL** shall within fifteen (15) days of this Order, pay all Plaintiff's  
10 reasonable costs in the amount of \$241.50 pursuant to Government Code section 6103.5 and  
11 subject to modification and/or further relief as this Court deems just and proper.

12 I. The Court further orders, as just and appropriate, the following:

13 1) Name/Address of Judgment Creditors:

14 State of California  
15 c/o Department of Justice-Office of the Attorney General  
16 1300 I. Street  
P.O. Box 944255  
Sacramento, CA 94244-2550

17 2) Name/Address/Phone-Judgment Creditor's Attorney:

18 Corinne Lee Murphy, Deputy Attorney General  
19 Department of Justice-Office of the Attorney General  
20 1300 I. Street  
P.O. Box 944255  
Sacramento, CA 94244-2550  
(916) 323-3795

21 3) Name/Address-Judgment Debtor:

22 **MOHANLAL ENTERPRISES/6 NATIONS**  
23 MH House, 903 Gole Bazar,  
IND-482 002, Jabalpur, India

24 4) Principal Amount of Judgment for Escrow: \$2,456.41

25 5) Principal Amount of Judgment for Penalties: \$7,369.23

26 6) Costs: \$ 241.50

27 7) Post-judgment simple interest at the rate of ten percent (10%) per annum on the  
28 total judgment which consists of items 4 thru 6 from the date of judgment is

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entered until fully paid.

IT IS SO ORDERED, ADJUDGED AND DECREED.

**JUN 26 2006**  
Dated: \_\_\_\_\_, 2006

LOREN E. McMASTER  
\_\_\_\_\_  
Judge of the Superior Court

mehantai proposed judgment.wpd



**DECLARATION OF SERVICE BY U.S. MAIL**

Case Name: **People, ex rel., v. M/S Mohanlal Hardovinddas, et al.**

No.: Sacramento Superior Court **05AS03311**

I declare:

I am employed in the Office of the Attorney General, which is the office of a member of the California State Bar, at which member's direction this service is made. I am 18 years of age and older and not a party to this matter. I am familiar with the business practice at the Office of the Attorney General for collection and processing of correspondence for mailing with the United States Postal Service. In accordance with that practice, correspondence placed in the internal mail collection system at the Office of the Attorney General is deposited with the United States Postal Service that same day in the ordinary course of business.

On ~~June 26~~<sup>7/5</sup>, 2006, I served the attached NOTICE OF ENTRY OF JUDGMENT by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid, in the internal mail collection system at the Office of the Attorney General at 1300 I Street, Suite 125, P.O. Box 944255, Sacramento, CA 94244-2550, addressed as follows:

M/S Mohanlal Hardovinddas  
MH House  
903 Gole Bazar  
IND-482 002  
Jabalpur, India

I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct and that this declaration was executed on ~~June 26~~<sup>7/5</sup>, 2006, at Sacramento, California.

\_\_\_\_\_  
Kim Lahn

Declarant

  
\_\_\_\_\_

Signature