

FILED
San Francisco County Superior County

JUN 0 4 2024

CLERK OF THE COURT

BY: Sochelle St. Value

Deputy Click

SUPERIOR COURT OF THE STATE OF CALIFORNIA COUNTY OF SAN FRANCISCO

THE PEOPLE OF THE STATE OF CALIFORNIA,

Plaintiffs,

BLACKHAWK MANUFACTURING GROUP INC.; GS PERFORMANCE, LLC; and MDX CORPORATION,

Defendants

Assigned for all purposes to the Honorable Anne-Christine Massullo, Dept. 206

CASE NO. CGC-21-594577

[PROPOSED] FINAL JUDGMENT AND INJUNCTION AS TO DEFENDANTS GS PERFORMANCE, LLC and MDX CORPORATION

Action Filed: August 18, 2021

2526

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

27

28

The People of the State of California ("People" or "Plaintiff"), through its attorney, Rob Bonta, Attorney General of the State of California, by Deputy Attorneys General Vesna Cuk, Rose C. Goldberg, Colleen Fewer, Brendan Ruddy and Timothy E. Sullivan, and Brooke Jenkins, District Attorney of San Francisco, by Managing Assistant District Attorney Daniel Amador and Assistant District Attorney Matthew Beltramo, and pro bono counsel Brook Dooley, Travis Silva and Neha Sabharwal of Keker, Van Nest and Peters, LLP, and Esther Sanchez-Gomez and William T. Clark of the Giffords Law Center to Prevent Gun Violence, and Defendants GS Performance, LLC and MDX Corporation ("Defendants") appearing collectively through their attorney, Sean A. Brady of Michel & Associates, P.C., having stipulated and consented to the entry of this Final Judgment and Injunction as to Defendants GS Performance, LLC and MDX Corporation ("Judgment") by the Court without the taking of proof and without trial or adjudication of any fact or law, without this Judgment constituting evidence of, and without Defendants admitting, any issue of law or fact alleged in the First Amended Complaint, and without the Court making any affirmative findings of fact or conclusions of law, with all parties having waived their right to appeal, and the Court having considered the matter and good cause appearing:

IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

PARTIES AND JURISDICTION

- 1. Plaintiff is the People of the State of California.
- 2. Defendant GS Performance, LLC is a Tennessee corporation with its principal executive offices in Nashville, Tennessee. Defendant MDX Corporation is a California corporation with its principal place of business in Riverside, California.
- 3. This Court has jurisdiction over the allegations and subject matter of the People's First Amended Complaint and the parties to this action; venue is proper in this Court; and this Court has jurisdiction to enter this Judgment.
- 4. Defendants, at all relevant times, either directly or through affiliates, have transacted business in the State of California, including but not limited to, the City and County of

San Francisco.

5. This Judgment is entered pursuant to and subject to Business and Professions Code section 17200 et seq., and Business and Professions Code section 17500 et seq.

DEFINITIONS

- 6. The following definitions shall apply for purposes of this Judgment:
- A. "CLEAR AND CONSPICUOUS" means "in larger type than the surrounding text, or in contrasting type, font, or color to the surrounding text of the same size, or set off from the surrounding text of the same size by symbols or other marks, in a manner that clearly calls attention to the language," which is the same definition presently set forth in California Business and Professions Code section 17601, subdivision (c).
- B. "FIREARM PRECURSOR PART" means "any forging, casting, printing, extrusion, machined body or similar article that has reached a stage in manufacture where it may readily be completed, assembled or converted to be used as the frame or receiver of a functional firearm, or that is marketed or sold to the public to become or be used as the frame or receiver of a functional firearm once completed, assembled or converted," which is the same definition presently set forth in California Penal Code section 16531, subdivision (a).
- C. "PARTS KIT" or "PARTS KITS" mean (a) a FIREARM PRECURSOR

 PART or (b) a set of compatible firearm parts or tools that includes a FIREARM

 PRECURSOR PART, that is/are designed, marketed, held out, or sold to be completed,
 assembled, or otherwise converted by a consumer to expel a projectile by the action of an
 explosive. A PARTS KIT may consist of products sold together, or separately, provided
 that less than thirty (30) days has elapsed between the transactions.
- D. "PREDICATE STATUTES" refers, collectively, to: (a) the federal Gun Control Act of 1968, 18 U.S.C. §§ 921–934; (b) California's Assembly of Firearms Law, Cal. Penal Code §§ 29180–29185; (c) California's Unsafe Handgun Act, *id.* §§ 31500–32110; and (d) California's Manufacture of Firearms Law, *id.* §§ 29010–29150.

INJUNCTION

- 7. The injunctive provisions of this Judgment shall become effective immediately upon entry of this Judgment and shall apply to Defendants as well as their successors and any assigns of all or substantially all of the assets of its business, including their directors, officers, employees, agents, independent contractors, and representatives for acts taken on behalf of Defendants or their successors or assigns within the scope of their employment or other agency.
 - 8. For the avoidance of doubt, nothing in this Judgment:
 - A. Prohibits or otherwise restrains Defendants from: (i) engaging in advertising that is not specifically targeted at residents of the State of California, including emails or other communications that are distributed nationally without regard to residence or are otherwise viewable by residents of multiple states, provided that, to the extent said advertisements are sent to consumers in the State of California, they do not violate paragraphs 9(C) and (D) below; or (ii) engaging in lawful conduct or speech.
 - B. Relieves Defendants of the obligations to comply with all federal, state, and local laws, regulations, or rules, nor shall any of the provisions herein be deemed to be permission to engage in any acts or practices prohibited by such laws, regulations, or rules.
- 9. Defendants shall be and hereby is enjoined and restrained, under Business and Professions Code section 17203 and 17535, from violating the PREDICATE STATUTES by:
 - A. Making or manufacturing unserialized FIREARM PRECURSOR PARTS in California;
 - B. Selling, offering to sell, or transferring ownership of any unserialized FIREARM PRECURSOR PARTS in or into the State of California;
 - C. Expressly stating that it is legal to purchase, sell, offer to sell, own, or transfer ownership of any unserialized FIREARM PRECURSOR PARTS in the State of California; and

D. Expressly stating that in the State of California it is legal for a person to manufacture or assemble a functioning frame or receiver from an unserialized FIREARM PRECURSOR PART, or to manufacture or assemble a functioning firearm from an unserialized FIREARM PRECURSOR PART.

COMPLIANCE

- 10. For so long as California law prohibits the sale and purchase of unserialized FIREARM PRECURSOR PARTS in the State of California, Defendants shall take all reasonable measures to ensure that no website operated by either Defendant can accept orders for unserialized FIREARM PRECURSOR PARTS for shipment to California.
- 11. The following compliance provisions in paragraphs 12 through 14 of this Judgment shall apply for five (5) years following entry of Judgment.
- 12. Defendants shall display on each webpage on which Defendants sell any unserialized FIREARM PRECURSOR PART that is marketed to the public, in CLEAR AND CONSPICUOUS text in proximity to the product listing, the following statement: *Under California law, this product is or contains an unserialized "firearm precursor part" and cannot be sold into the State of California.* [Defendant's name] cannot accept any orders of this product for shipment to the State of California, or to any customer who is a resident of the State of California.
- 13. Following entry of this Judgment, Defendants shall prepare compliance training materials that identify the terms of this Judgment with which Defendants must comply, including at minimum the following statements:
 - A. Under California law, unserialized FIREARM PRECURSOR PARTS, including 80% Frame and Receiver products, and PARTS KITS, cannot be sold into the State of California. [Defendant's name] cannot accept any orders of unserialized FIREARM PRECURSOR PARTS or PARTS KITS for shipment to the State of California; and
 - B. Under California law, unserialized FIREARM PRECURSOR PARTS,

including 80% Frame and Receiver products and PARTS KITS, cannot be sold into the
State of California. [Defendant's name], including any employee or agent of [Defendant
name], cannot provide customer support related to the completion or assembly of a
firearm using any unserialized FIREARM PRECURSOR PART or unserialized PARTS
KITS, to any person known to be a resident of California based on the express
representations of the person or the person's shipping address.

- 14. Thereafter, Defendants shall provide the compliance training materials described in Paragraph 13 to each of its current officers and directors and to any other employee whose responsibilities include the customer service, sale and marketing of FIREARM PRECURSOR PARTS or PARTS KITS, and to any person subsequently hired into any of these positions. For a period of five (5) years following entry of Judgment, Defendants shall retain records of having provided the compliance training materials referenced herein.
- 15. For the five (5) years following entry of Judgment, and no more than once annually for a total of five (5) possible reports, Defendants shall provide, within thirty (30) days of receiving a written request by either the Attorney General's Office or the San Francisco District Attorney's Office, reports containing the following:
 - A. A certification, under penalty of perjury, that Defendants provided the required trainings to the employees as described herein during the preceding twelve (12) months;
 - B. A certification, under penalty of perjury, that Defendants have not engaged in any conduct enjoined in Paragraph 9 above during the preceding twelve (12) months.

MONETARY PROVISIONS

16. Pursuant to Business & Professions Code section 17206, Defendant GS Performance, LLC shall pay civil penalties in the amount of one hundred and twenty thousand dollars (\$120,000), and Defendant MDX Corporation shall pay civil penalties in the amount of fifty-five thousand dollars (\$55,000), to be divided by Plaintiffs in equal amounts between the

California Attorney General and the District Attorney of San Francisco. Said payments shall be made pursuant to the following schedule:

- A. Payment of at least \$24,000 from GS Performance, LLC and \$11,000 from MDX Corporation within 365 calendar days of the date of entry of this Final Judgment, the first \$6,000 of which from GS Performance, LLC and \$3,000 of which from MDX Corporation shall be paid within 60 calendar days, all payments to be made via wire transfer to the California Attorney General using wiring information provided by that agency on or before the date of entry of judgment. Payment of at least \$24,000 from GS Performance, LLC and \$11,000 from MDX Corporation shall be made pursuant to the wiring instructions provided no later than the end of each subsequent 365-day period until the full amount is paid.
- B. Subject to paragraph 16.C. below, interest shall not accrue if all required payments are timely initiated by a Defendant, and no penalty shall attach for early payment which a Defendant may elect in its sole discretion.
- C. In the event a Defendant fails to timely initiate any of its respective payments set forth above, the total amount remaining unpaid under this Final Judgment shall immediately become due and owing, and interest shall begin to accrue on that unpaid amount.

RELEASE PROVISIONS

17. Upon full and complete performance of the monetary provisions set forth in paragraph 16, the California Attorney General and San Francisco District Attorney release Defendants, and their parents, subsidiaries, affiliates, predecessors, and successors, (the "Released Parties") from all civil claims, causes of action, damages, restitution, fines, costs, attorney's fees, and penalties that the California Attorney General and/or San Francisco District Attorney have or could have asserted against the Released Parties arising from the conduct alleged in the People's First Amended Complaint up to and including May 29, 2024.

ADDITIONAL PROVISIONS

2	18. Any notices that must be sent to Plaintiff or Defendants under, or any
3	correspondence sent in relation to this Judgment shall be sent by both a nationally recognized
4	overnight courier service and by email to the named persons at the following addresses:
5	For Plaintiff the People of the State of California:
6	Consumer Protection Section
7	California Department of Justice Brendan Ruddy
8	Rose Carmen Goldberg Vesna Cuk
9	Deputy Attorneys General 455 Golden Gate Ave., Ste. 11000
10	San Francisco, CA 94102 Brendan.Ruddy@doj.ca.gov
11	Rose.Goldberg@doj.ca.gov Vesna.Cuk@doj.ca.gov
12	and
13	San Francisco District Attorney's Office Matthew Beltramo
14	Assistant District Attorney 350 Rhode Island Street
15	North Building, Suite 400N San Francisco CA 94103
16	Matthew.Beltramo@sfgov.org
17	For Defendant GS Performance, LLC:
18	Lenny Magill
19	1930 Air Lane Dr. Nashville, TN 37210
20	lennymagill@hotmail.com
21	Sean A. Brady MICHEL & ASSOCIATES P.C.
22	180 E. Ocean Blvd., Suite 200 Long Beach, CA 90802
23	sbrady@michellawyers.com
24	
25	
26	
27	

28

28

a

i	
1	20. The clerk is ordered to enter this Judgment forthwith.
2	
3	ORDERED AND ADJUDGED at San Francisco, California.
4	DATED: Jewy 1024
5	Jen Clubric Marraleo
6	HON. ANNE-CHRISTINE MASSULLO
7	JUDGE OF THE SUPERIOR COURT COUNTY OF SAN FRANCISCO
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	
26	,
27	•
28	

People of the State of California vs. Blackhawk Manufacturing Group, Inc., et al.,	Case No: CGC-21-594577
--	------------------------

CERTIFICATE OF ELECTRONIC SERVICE

(CCP §1010.6 & CRC §2.251)

I, Rochelle F. Veluz, a Deputy Clerk of the Superior Court of the County of San Francisco, certify that I am over the age of 18 years, employed in the City and County of San Francisco, California and am not a party to the within action.

On June 4, 2024, I electronically served Final Judgment and Injunction as to Defendants GS Performance, LLC and MDX Corporation via File & ServeXpress on the recipients designated on the Transaction Receipt located on the File & ServeXpress website.

Dated: June 4, 2024

Brandon Riley, Clerk

By: <u>Rochelle F. Veluz, Deputy Clerk</u>