

1 ROB BONTA
Attorney General of California
2 NICKLAS A. AKERS
Senior Assistant Attorney General
3 MICHAEL E. ELISOFON
Supervising Deputy Attorney General
4 VESNA CUK (SBN 309157)
Deputy Attorney General
5 455 Golden Gate Avenue, Suite 11000
San Francisco, CA 94102-7004
6 Telephone: (415) 510-3782
Fax: (415) 703-5480
7 E-mail: Vesna.Cuk@doj.ca.gov

8 NICOLE A. SILVEIRA
District Attorney of the County of Merced
9 MATTHEW CREEGER (SBN 289381)
Deputy District Attorney
10 550 West Main Street
Merced, CA 95340-4716
11 Telephone: (209) 385-7381
Fax: (209) 725-3669
12 E-mail: Matthew.Creeger@countyofmerced.com

13 *[Additional Counsel listed on next page]*

14 *Attorneys for The People of the State of California*

15 SUPERIOR COURT OF THE STATE OF CALIFORNIA

16 COUNTY OF MERCED

18 **THE PEOPLE OF THE STATE OF**
19 **CALIFORNIA,**

20 Plaintiff,

21 v.

22 **WALMART, INC.,**

23 Defendant.
24

Case No.

**STIPULATION FOR ENTRY OF FINAL
JUDGMENT AND PERMANENT
INJUNCTION**

1 *[Additional Counsel continued from prior page]*

2 ERIK NASARENKO
3 District Attorney of the County of Ventura
4 KAREN L. WOLD (SBN 132701)
5 Senior Deputy District Attorney
6 5720 Ralston Street, Suite 300
7 Ventura, CA 93003-7843
8 Telephone: (805) 662-1718
9 Fax: (805) 662-1770
10 E-mail: Karen.Wold@ventura.org

11 JEFF W. REISIG
12 District Attorney of the County of Yolo
13 DAVID J. IREY (SBN 142864)
14 Assistant Chief Deputy District Attorney
15 301 Second Street
16 Woodland, CA 95695-3415
17 Telephone: (530) 666-8428
18 Fax: (530) 666-8185
19 E-mail: David.Irey@yolocounty.org

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1 Plaintiff, the People of the State of California (“People or Plaintiff”), through its attorney,
2 ROB BONTA, Attorney General of the State of California, by Supervising Deputy Attorney
3 General Michael E. Elisofon and Deputy Attorney General Vesna Cuk, NICOLE A. SILVEIRA,
4 District Attorney of Merced County, by Deputy District Attorney Matthew Creeger, ERIK
5 NASARENKO, District Attorney of Ventura County, by Senior Deputy District Attorney Karen
6 L. Wold, JEFF W. REISIG, District Attorney of Yolo County, by Assistant Chief Deputy District
7 Attorney David J. Irej, and Defendant WALMART, INC. (“Walmart” or “Defendant”),
8 appearing through JONES DAY, hereby stipulate as follows:

9 1. The Final Judgment and Permanent Injunction (“Judgment”), a true and correct
10 copy of which is attached hereto as Exhibit 1, may be entered by any judge of the Merced County
11 Superior Court.

12 2. Walmart does not admit to the People’s allegations set forth in the Complaint, and
13 does not admit that any violation has occurred. Walmart believes its policies and procedures
14 continue to be in compliance with all applicable laws and regulations. Nevertheless, in exchange
15 for the release provided in the Judgment, Walmart is willing to enter into this Stipulation and the
16 Judgment in order to resolve this matter, and thereby avoid the significant time and expense of
17 litigation.

18 3. The Plaintiff may submit the Judgment to any judge of the superior court for
19 approval and signature, based on this stipulation, during the court’s ex parte calendar or on any
20 other ex parte basis, without notice to or any appearance by the Defendant, which notice and right
21 to appear the Defendant hereby waives.

22 4. Simultaneous with the filing of the Judgment, Plaintiff has filed a complaint for
23 civil penalties and injunctive relief in the Superior Court of the County of Merced, alleging
24 unlawful business acts or practices, within the meaning of California Business and Professions
25 Code §§17200 et seq., relating to the online sale of certain prohibited non-firearms weapons to
26 California consumers (the “Complaint”).

27 5. Plaintiff and Defendant (collectively, “the Parties”) hereby waive their right to
28 move for a new trial or otherwise seek to set aside the Judgment through any collateral attack, and

1 further waive their right to appeal from the Judgment, except that Plaintiff and Defendant each
2 agree that this Court shall retain jurisdiction for the purposes specified in paragraph 24 of the
3 Judgment.

4 6. The Parties have stipulated and consented to the entry of the Judgment without the
5 taking of proof and without trial or adjudication of any fact or law herein.

6 7. Defendant will accept service of any Notice of Entry of Judgment entered in this
7 action by delivery of such notice to its counsel of record, and agrees that service of the Notice of
8 Entry of Judgment will be deemed personal service upon it for all purposes.


9 8. The individuals signing below represent that they have been authorized by the
10 parties they represent to sign this Stipulation.

11 9. This stipulation may be executed in counterparts, and the Parties agree that a
12 facsimile or scanned PDF signature shall be deemed to be, and shall have the full force and effect
13 as, an original signature.

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ROB BONTA
Attorney General
State of California

DATED: 05/19/2023

By: 
Vesna Cuk
Deputy Attorney General
Attorney for Plaintiff

NICOLE A. SILVEIRA
District Attorney of Merced County


DATED: 05/19/2023

By: 
Matthew Creeger
Deputy District Attorney
Attorney for Plaintiff

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ERIK NASARENKO
District Attorney of Ventura County

DATED: 5/19/2023

By: 
Karen L. Wold
Senior Deputy District Attorney
Attorney for Plaintiff

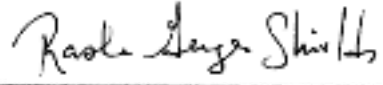
JEFF W. REISIG
District Attorney of Yolo County

DATED: 5/19/2023

By: 
David J. Frey
Assistant Chief Deputy District Attorney
Attorney for Plaintiff

COUNSEL FOR DEFENDANT
WALMART, INC.

DATED: 5/19/2023

By: 
Rasha Gerges Shields
Jeffrey Rabkin
JONES DAY
Attorneys for Walmart, Inc.

DEFENDANT WALMART, INC.

DATED: 05.19.2023


By: 
Elizabeth Duffy
Vice President
Omnichannel and Platform Compliance
Walmart, Inc.

EXHIBIT 1

1 ROB BONTA
Attorney General of California
2 NICKLAS A. AKERS
Senior Assistant Attorney General
3 MICHAEL E. ELISOFON
Supervising Deputy Attorney General
4 VESNA CUK (SBN 309157)
Deputy Attorney General
5 455 Golden Gate Avenue, Suite 11000
San Francisco, CA 94102-7004
6 Telephone: (415) 510-3782
Fax: (415) 703-5480
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10 550 West Main Street
Merced, CA 95340-4716
11 Telephone: (209) 385-7381
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12 E-mail: Matthew.Creeger@countyofmerced.com

13 *[Additional Counsel listed on next page]*

14 *Attorneys for The People of the State of California*

15 SUPERIOR COURT OF THE STATE OF CALIFORNIA

16 COUNTY OF MERCED

18 **THE PEOPLE OF THE STATE OF**
19 **CALIFORNIA,**

20 Plaintiff,

21 v.

22 **WALMART, INC.,**

23 Defendant.
24

Case No.

**[PROPOSED] FINAL JUDGMENT AND
PERMANENT INJUNCTION**

1 *[Additional Counsel continued from prior page]*

2 ERIK NASARENKO
3 District Attorney of the County of Ventura
4 KAREN L. WOLD (SBN 132701)
5 Senior Deputy District Attorney
6 5720 Ralston Street, Suite 300
7 Ventura, CA 93003-7843
8 Telephone: (805) 662-1718
9 Fax: (805) 662-1770
10 E-mail: Karen.Wold@ventura.org

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1 THE PEOPLE OF THE STATE OF CALIFORNIA (“People” or “Plaintiff”), appearing
2 through their attorneys, ROB BONTA, Attorney General of the State of California, by Deputy
3 Attorney General Vesna Cuk, NICOLE A. SILVEIRA, District Attorney of Merced County, by
4 Deputy District Attorney Matthew Creeger, ERIK NASARENKO, District Attorney of Ventura
5 County, by Senior Deputy District Attorney Karen L. Wold, JEFF W. REISIG, District Attorney
6 of Yolo County, by Assistant Chief Deputy District Attorney David J. Irej. Defendant
7 WALMART, INC. (“Walmart” or “Defendant”), appearing through JONES DAY. The People
8 and Walmart shall hereafter be referred to collectively as “the Parties.”

9 The Parties have stipulated and consented to the entry of this Judgment without the taking
10 of proof and without trial or adjudication of any fact or law herein, without this Judgment
11 constituting evidence of or an admission by Walmart regarding any issue of law or fact alleged in
12 the Complaint on file, and without Walmart admitting any liability, and with all parties having
13 waived their right to appeal.

14 The Court, having considered the matter and good cause appearing, **HEREBY ORDERS**
15 **THAT:**

16 **I. PARTIES AND JURISDICTION**

- 17 1. This Court has jurisdiction over the subject matter of this lawsuit and over the Parties.
18 2. Venue is proper in this county.

19 **II. DEFINITIONS**

- 20 3. As used in this Judgment, the following words or terms shall have the following
21 meanings:
- 22 a. “Marketplace Retailer” shall mean any third party that offers or exposes for sale
23 or sells its products on Walmart.com’s online site via the Walmart.com
24 Marketplace.
- 25 b. “Prohibited Items” shall mean Prohibited Knuckles; Prohibited Knives; and
26 non-firearm weapons and devices as defined in Penal Code sections 16760,
27 17200, and 22210.
28

- 1 c. “Prohibited Knives” shall mean knives and non-firearm weapons as defined in
2 Penal Code sections 16140, 16220, 16260, 16340, 16830, 17160, 17235, 17290,
3 and 17350.
- 4 d. “Prohibited Knuckles” shall mean knuckles as defined in Penal Code sections
5 16405, 16680, and 16920.
- 6 e. “Walmart” shall mean Walmart, Inc. and shall not include Marketplace
7 Retailers.
- 8 f. “Walmart.com” shall refer to items offered for sale on www.walmart.com (as
9 currently named or as modified in the future).
- 10 g. “Walmart.com Marketplace” shall mean the e-commerce platform provided by
11 Walmart.com to permit select third party sellers (“Marketplace Retailers”) to
12 offer or expose for sale and sell their products on Walmart.com’s online site.

13 4. Whenever in this Judgment reference is made to any designation or numbered
14 provision of the California Penal Code, such reference shall be deemed to be such provision or
15 section as it may be redesignated or renumbered from time to time by act of the Legislature of the
16 State of California in amending or recodifying such Penal Code provisions or sections.

17 **III. INJUNCTIVE RELIEF**

18 5. Nothing in this Judgment alters the requirements of federal or state law to the extent
19 they offer greater protection to consumers.

20 6. The injunctive provisions of this Judgment shall apply to Walmart as well as its
21 subsidiaries; its successors and the assigns of all or substantially all of the assets of its businesses;
22 and its directors, officers, employees, agents, independent contractors, associates and
23 representatives of each of them.

24 7. Pursuant to Business and Professions Code section 17203, Walmart shall comply with
25 the injunctive provisions set forth in paragraphs 8-12.

26 8. Walmart is permanently enjoined and restrained from engaging in any conduct that
27 violates or is punishable under California Penal Code sections 20310, 20410, 20510, 20610,
28 20710, 20810, 20910, 21110, 21510, 21710, and 21810. Nothing in this Judgment prohibits

1 Walmart from hosting product pages of these items for sale on Walmart.com that block shipments
2 to all California zip codes.

3 9. Walmart shall prohibit Marketplace Retailers from offering or exposing for sale or
4 selling any Prohibited Items for shipments to California. Nothing in this Judgment shall prohibit
5 Walmart from hosting product pages of Prohibited Items for sale by Marketplace Retailers that
6 block shipments to all California zip codes.

7 10. Walmart shall employ procedures reasonably designed to prevent violations by
8 Marketplace Retailers, including but not limited to, written notice and progressive discipline for
9 violators based on the number and type of violations, up to and including termination. Walmart
10 shall terminate a Marketplace Retailer when it determines that the Marketplace Retailer has
11 intentionally evaded the prohibitions regarding Prohibited Items.

12 11. Walmart shall implement and maintain policies and procedures reasonably designed
13 to prevent Marketplace Retailers from offering or exposing for sale or selling Prohibited Items on
14 the Walmart.com Marketplace to consumers in California. These procedures shall include, but
15 not be limited to, procedures reasonably designed to (a) identify and prevent Prohibited Items
16 from being posted on the Walmart.com Marketplace for shipment to California, (b) remove
17 shipment to California for Prohibited Items posted on the Walmart.com Marketplace within forty-
18 eight (48) hours after discovering that they have been available for shipment to California, and (c)
19 ensure those items are not offered for sale or sold on the Walmart.com Marketplace for shipment
20 to California again. Walmart shall review, update, and improve these procedures on a continuous
21 basis.

22 12. Within two business days of its receipt of written notice from the People stating that a
23 Prohibited Item has been sold to a consumer in California or is being offered for sale on the
24 Walmart.com Marketplace to consumers in California, Walmart will block the item for shipment
25 to California. In addition, Walmart will notify the Marketplace Retailer of the violation and take
26 reasonable steps to ensure the item is not offered for sale or sold on the Walmart.com
27 Marketplace for shipment to California again.

28 **IV. COMPLIANCE AND MONITORING**

1 13. Walmart shall designate its Chief Compliance Officer or a similarly situated
2 executive as the individual responsible for ensuring compliance with the terms of this Judgment.

3 14. Walmart shall provide a reasonably available mechanism on each individual product
4 page on Walmart.com that customers may use to report the offering or exposing for sale or sale of
5 Prohibited Items for shipments to California, such as through Walmart’s current “Report Incorrect
6 Product Info” link or a similar reporting feature.

7 15. Walmart shall take reasonable steps to identify all California consumers who have
8 purchased any Prohibited Knuckles or Prohibited Knives from Walmart prior to the effective date
9 of this Judgment. Walmart shall send a notice to each consumer, with copy to the People, that:

10 (a) identifies the item; (b) notifies the purchaser that the item may be unlawful under the
11 California Penal Code and includes the text of the relevant Penal Code provision(s); and (c)
12 informs the purchaser that they may contact their local law enforcement agency for information
13 on how to properly surrender the item.

14 16. After the date of entry of this Judgment, if Walmart discovers that any Prohibited
15 Item was sold by Walmart to any California consumers, Walmart shall take reasonable steps
16 promptly to identify the purchaser and send a notice to the purchaser, with copy to the People,
17 that: (a) identifies the Prohibited Item; (b) notifies the purchaser that the item may be unlawful
18 under the California Penal Code and includes the text of the relevant Penal Code provision(s); and
19 (c) informs the purchaser that they may contact their local law enforcement agency for
20 information on how to properly surrender the item.

21 17. Walmart shall provide compliance reports to counsel for Plaintiff documenting
22 compliance with the terms of this Judgment for five years after the Effective Date of Judgment,
23 on a semi-annual basis for the first year and on an annual basis thereafter. The reports shall
24 contain a description of Walmart’s compliance policies and procedures subject to paragraphs 9-
25 11, Walmart’s process for notifying purchasers of Prohibited Items subject to paragraphs 15 and
26 16, and reporting metrics in the following areas:

27 a. Any Prohibited Items sold by Walmart or Marketplace Retailers in California or
28 for shipment to California, including the number, type, and total sale price;

1 b. Any remedial action taken upon Walmart discovering the sale of any Prohibited
2 Items in California or for shipment to California, including disciplinary action
3 taken against Marketplace Retailers for offering or exposing for sale or selling
4 Prohibited Items on the Walmart.com Marketplace, as set forth in paragraph 10;
5 and

6 c. Any notification provided to purchasers of Prohibited Items sold by Walmart in
7 California or shipped to California, as set forth in paragraphs 15 and 16,
8 including the number and type of Prohibited Item.

9 18. To the full extent permitted by the laws of the State of California, the People
10 shall treat all reports and sharing of information pursuant to this Judgment confidentially and as
11 exempt from disclosure under the relevant public records laws.

12 **V. MONETARY RELIEF**

13 19. Pursuant to Business and Professions Code section 17206, Walmart shall pay a total
14 amount of \$400,000.00 in civil penalties and \$100,000.00 designated toward partial
15 reimbursement of investigative costs or crime prevention activities related to the manufacture,
16 sale, supply, or possession of Prohibited Items.

17 20. The payment required in paragraph 19 above shall be paid within thirty (30) days of
18 the entry of the Judgment. Payment instructions shall be provided to Walmart by the Attorney
19 General no later than seven (7) days after the entry of the Judgment. Payment shall be
20 apportioned as follows:

21 a. One hundred and twenty-five thousand dollars (\$125,000.00) shall be paid to
22 the California Attorney General’s Office, of which one hundred thousand
23 dollars (\$100,000.00) is allocated as civil penalties, and twenty-five thousand
24 dollars (\$25,000.00) is designated toward partial reimbursement of
25 investigative costs or crime prevention activities related to the manufacture,
26 sale, supply or possession of Prohibited Items.

27 b. One hundred and twenty-five thousand dollars (\$125,000.00) shall be paid to
28 the District Attorney of Merced County, of which one hundred thousand dollars

1 (\$100,000.00) is allocated as civil penalties, and twenty-five thousand dollars
2 (\$25,000.00) is designated toward partial reimbursement of investigative costs
3 or crime prevention activities related to the manufacture, sale, supply or
4 possession of Prohibited Items.

5 c. One hundred and twenty-five thousand dollars (\$125,000.00) shall be paid to
6 the District Attorney of Ventura County, of which one hundred thousand
7 dollars (\$100,000.00) is allocated as civil penalties, and twenty-five thousand
8 dollars (\$25,000.00) is designated toward partial reimbursement of
9 investigative costs or crime prevention activities related to the manufacture,
10 sale, supply or possession of Prohibited Items.

11 d. One hundred and twenty-five thousand dollars (\$125,000.00) shall be paid to
12 the District Attorney of Yolo County, of which one hundred thousand dollars
13 (\$100,000.00) is allocated as civil penalties, and twenty-five thousand dollars
14 (\$25,000.00) is designated toward partial reimbursement of investigative costs
15 or crime prevention activities related to the manufacture, sale, supply or
16 possession of Prohibited Items.

17 **VI. GENERAL PROVISIONS**

18 21. Effective upon payment of the full amount due under Paragraph 19 of this Judgment,
19 Plaintiff releases and discharges Defendant and its past and present employees, representatives,
20 officers, directors, subsidiaries, operating companies, predecessors, assigns and successors, from
21 any and all civil claims, causes of action, costs and attorney's fees, Plaintiff has asserted or could
22 have asserted arising out of the conduct alleged in the Complaint prior to the date of the filing of
23 the Complaint.

24 22. Defendant does not admit to any violations of law and does not admit any
25 wrongdoing that was or could have been alleged by Plaintiff before the date of the Judgment
26 under any law. No part of this Judgment, including its statements and commitments, shall
27 constitute evidence of any liability, fault, or wrongdoing by Defendant.
28

1 23. This Judgment shall not be construed or used as a waiver or limitation of any defense
2 otherwise available to Defendant in any other action or in any lawsuit of any kind, or of its right
3 to defend itself from, or make any arguments in, any other private individual, regulatory,
4 governmental, or putative or certified class claims, proposed or actual representative claims or
5 suits relating to the subject matter or terms of this Judgment. This Judgment is made without trial
6 or adjudication of any issue of fact or law or finding of liability of any kind. Nothing in this
7 Judgment should be construed to create, waive, or limit any individual consumer's substantive
8 claim or cause of action.

9 24. The Court shall retain jurisdiction of this Judgment and the Parties hereto for the
10 purpose of enforcing, modifying and/or terminating this Judgment and for the purpose of granting
11 such additional relief as may be necessary and appropriate. Grounds for modifying this Judgment
12 shall include any that are permitted by law, including without limitation that: (i) any part of this
13 Judgment is or has become preempted by federal law or regulation; (ii) any of the California laws
14 relating to Prohibited Items has changed; or (iii) a material change in the facts upon which the
15 injunction was granted.

16 25. For a period of five (5) years, Walmart shall comply with the conduct provisions in
17 paragraphs 10, 11, 12, 14, and 16 of this Judgment.

18 26. Any notices required to be sent to the People or to Walmart under this Judgment shall
19 be sent by email and certified mail to the following:

20 a. For the People of the State of California:

21
22 Deputy Attorney General Vesna Cuk
23 Consumer Protection Section
24 Office of the Attorney General
25 455 Golden Gate Avenue, Suite 11000
26 San Francisco, CA 94102
27 Vesna.Cuk@doj.ca.gov

28 Deputy District Attorney Matthew Creeger
 District Attorney of the County of Merced
 550 West Main Street
 Merced, CA 95340

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Matthew.Creeger@countyofmerced.com

Senior Deputy District Attorney Karen L. Wold
District Attorney of the County of Ventura
5720 Ralston Street, Suite 300
Ventura, CA 93003
Karen.Wold@ventura.org

Assistant Chief Deputy District Attorney David J. Irely
District Attorney of the County of Yolo
301 Second Street
Woodland, CA 95695
David.Irely@yolocounty.org

b. For Walmart:

Jeff Rabkin
Jones Day
555 California Street, 26th Floor
San Francisco, CA 94104
jrabkin@jonesday.com

Rasha Gerges Shields
Jones Day
555 S. Flower Street, 50th Floor
Los Angeles, CA 90071
rgergesshields@jonesday.com

Jeff Rickard
Managing Counsel
Central Intake and Legal Holds
702 SW Eighth Street, MS #0215
Bentonville, AR 72716-0215
Jeff.Rickard@walmartlegal.com

c. Any additional or different notice recipients that the Parties may agree to in writing.

27. The Clerk is ordered to enter this Judgment forthwith.

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Dated: _____

JUDGE OF THE SUPERIOR COURT