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Esther Degollado
District Clerk
Webb District
Nora Ruiz
2017CVH002608D3

No. 2017CVH002608D¹

STATE OF TEXAS,
Plaintiff,

v.

LAFAYETTE C-STORE, LLC d/b/a
TEJANO MART 505,
Defendant.

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IN THE DISTRICT COURT

WEBB COUNTY, TEXAS

341st JUDICIAL DISTRICT

2019 MAY 3 PM 3:11
FILED
WEBB COUNTY, TEXAS
[Signature]

AMENDED

AGREED FINAL JUDGMENT AND PERMANENT INJUNCTION

TO THE HONORABLE JUDGE OF SAID COURT:

On this _____ day of _____, 2019, came on to be heard the above-entitled and numbered cause wherein the STATE OF TEXAS (State) is Plaintiff and LAFAYETTE C-STORE, LLC d/b/a TEJANO MART 505 (Lafayette C-Store) is Defendant. In this action, the State alleges that following the Texas Governor's disaster declaration due to Hurricane Harvey, Defendant engaged in price gouging by charging consumers up to \$9.99 per gallon of gasoline in violation of § 17.46 of the Texas Deceptive Trade Practices Act, Tex. Bus. & Com. Code (DTPA). Specifically, the State alleges that Defendant violated the DTPA because it advertised fuel with intent not to sell it as advertised and took advantage of a disaster declared by the Texas Governor under Chapter 418 of the Government Code by selling fuel at an exorbitant or excessive price or demanding an exorbitant or excessive price in connection with the sale of fuel. The parties, by and through their attorneys of record, have made the following stipulations and agree to the entry of this Agreed Final Judgment and Permanent Injunction (Agreed Judgment) as a compromise and settlement of disputed claims.

STIPULATIONS

1. The Court has jurisdiction over the subject matter and parties in this action under the DTPA.
2. This Agreed Judgment does not constitute an approval of Defendant's business practices by the State or the Court and Defendant shall make no representation or claim to the contrary.
3. The parties agree to and do not contest the entry of this Agreed Judgment and agree that the Court has continuing jurisdiction to enforce this Agreed Judgment.
4. This Agreed Judgment sets forth the entire agreement between the parties and there are no other representations or agreements between the parties not stated in writing herein.
5. Defendant is aware of the terms and duties placed upon it by the Agreed Judgment, acknowledges that it has fully read and understands this Agreed Judgment, accepts the legal consequences involved in signing this Agreed Judgment, and represents that it is desirous and capable of carrying out the terms and duties of this Agreed Judgment in full.
6. Defendant acknowledges receipt of copies of this Agreed Judgment.
7. The parties have compromised and settled all claims alleged by the State in this cause without the necessity of a trial and this Agreed Judgment does not constitute an admission by Defendant of any violation of law or regulation.
8. The parties agree that nothing in this Agreed Judgment shall be constructed to affect any action or proceeding by any regulatory body or other state agency, whether such action or proceeding is related to any issue addressed by this Agreed Judgment or otherwise.
9. The parties agree that, should any clause, provision, or section of this Agreed Judgment, for any reason, be held illegal, invalid, or unenforceable, such illegality, invalidity, or unenforceability shall not affect any other clause, provision, or section of this Agreed Judgment, and this Agreed

Judgment shall be construed and enforced as if such illegal, invalid, or unenforceable clause, section or provision had not been contained herein.

10. The parties agree to waive the thirty (30) day period in which to file a Motion for New Trial and waive any and all rights to appeal this Agreed Judgment.

FINDINGS

11. Having reviewed the pleadings in this case and the stipulations of the parties, the Court hereby finds as follows:

- a. The Court has jurisdiction over the parties;
- b. The Court has jurisdiction over the subject matter of this action;
- c. Venue is proper in Webb County, Texas;
- d. Entry of this Agreed Judgment is in the public interest; and
- e. The issuance and service of a writ of injunction are waived.

FACTUAL BACKGROUND

12. On August 23, 2017, Governor Greg Abbott declared a State of Disaster under Texas Government Code section 418.014 anticipating the landfall of then Tropical Storm Harvey (Harvey State of Disaster).

13. On August 25, 2017, Hurricane Harvey made landfall on the Texas Gulf Coast.

14. On September 1, 2017, Governor Abbott issued a price gouging declaration emphasizing the unlawful practice of price gouging: "Texans impacted by this disaster are particularly vulnerable to economic exploitation during this challenging time . . . Texas law prohibits price gouging and gives the attorney general the authority to prosecute anyone throughout Texas who takes advantage of a declared disaster by charging an exorbitant or excessive price for fuel."

15. Lafayette C-Store operated a fuel station located in Laredo, Texas, that sold fuel to consumers from August 31, 2017 through September 3, 2017, which was during the Harvey State of Disaster.

16. The Attorney General's Consumer Protection Division received complaints from consumers that Defendant was charging up to \$9.99 per gallon of gasoline during the Harvey State of Disaster.

DEFINITIONS

17. **IT IS ORDERED** that, as used in this Agreed Judgment, the following terms are defined as follows:

- a. "Defendant," "You," or "Yours" means Lafayette C-Store, LLC d/b/a Tejano Mart 505, its officers, agents, subcontractors, servants, employees, attorneys, and any other persons in active concert or participation with Lafayette C-Store, LLC d/b/a Tejano Mart 505;
- b. "State of Disaster" means the period designated by the Texas Governor's disaster declaration pursuant to Chapter 418 of the Government Code;
- c. "Refund Amount" shall be the difference between the price paid by an Eligible Consumer and the average price for the same grade of fuel charged by Lafayette C-Store on August 27, 2017, for regular and plus grades, and August 28, 2017, for premium grade;
- d. "Claims Administrator" means the entity selected by the State of Texas to administer the restitution claims for this settlement;
- e. "Effective Date" means the date on which this Agreed Judgment is entered by the Court; and

- f. "Eligible Consumer" shall mean any consumer who paid \$3.99 per gallon or more for fuel at the facility located at 502 Lafayette Street, Laredo, Webb County, Texas 78041, on August 31, 2017, and who timely and correctly fills out and submits a claim form to the Claims Administrator.

PERMANENT INJUNCTION

18. **IT IS FURTHER ORDERED** that Lafayette C-Store, its officers, agents, servants, employees, attorneys, and those persons in active concert or participation with it who receive actual notice of the Agreed Judgment by personal service or otherwise are hereby **PERMANENTLY ENJOINED** from:

- a. Collecting or attempting to collect a price per gallon of fuel that is other than the price posted at the fuel pump;
- b. Collecting or attempting to collect a price per gallon of fuel other than the price posted on signage located at or near the dispensing pump or visible from the street; and
- c. Demanding an exorbitant or excessive price for fuel or selling fuel at an exorbitant or excessive price during a State of Disaster. Defendant's price for fuel is presumed exorbitant or excessive when the price per gallon during a State of Disaster is greater than 125 percent of Defendant's 30-day average price per gallon immediately prior to the State of Disaster, unless Defendant can demonstrate through its written records that the price increase is attributable to additional fuel supply costs incurred by Defendant.

19. **IT IS FURTHER ORDERED** that during any future State of Disaster and for a minimum of six months following the expiration of such State of Disaster, Defendant shall cease any ongoing or scheduled document or data destruction and shall preserve records reflecting:

- a. Each individual fuel sale transaction including price per gallon and gallons purchased;
- b. The dates, times, and amounts of changes in fuel prices; and
- c. All fuel supply costs incurred by Defendant.

CONSUMER RESTITUTION

20. **IT IS FURTHER ORDERED** that Defendant shall pay to the State of Texas the amount of SEVENTEEN THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$17,500.00) for consumers. This \$17,500.00 payment will be referred to as the Restitution Payment. Consumers who have already been issued full refunds by Defendant will not be eligible to receive restitution. Defendant's payment to the State shall be made by certified check or wire transfer, payable to the "STATE OF TEXAS," bearing the reference AG# CX5192048165 and if not by wire transfer, delivered/mailed to the Office of the Attorney General, ATTN: Accounting Division, 300 W. 15th St., MC-003, Austin, TX 78701.

21. **IT IS FURTHER ORDERED** that the procedures for the distribution of the Restitution Payment are as follows:

- a. The State will remit the Restitution Payment to the Claims Administrator to pay refunds and the costs of administration;
- b. The parties have agreed to the use of the attached claim form or a substantially similar form agreed to by the parties. The Claims Administrator may begin accepting claim forms by April 23, 2019. The Claims Administrator will not accept claim forms later

than June 30, 2019, which will be the Claims Deadline Date. No refunds will be distributed by the Claims Administrator until after the Claims Deadline Date passes. Eligible Consumers who properly complete the claim form will be eligible to receive a refund payment;

- c. The Claims Administrator will have discretion, in consultation with the State of Texas, to determine if the claim form has been properly completed and timely submitted, and to determine the specific Refund Amount each Eligible Consumer will receive. Once all Eligible Consumers have received their Refund Amount, and once the administration costs have been paid, the Claims Administrator, in consultation with the State of Texas, may pay additional Refund Amounts to other consumers filing claims, and may also pay additional Refund Amounts to Eligible Consumers in other price gouging settlements the State has entered into;
- d. Eligible Consumers may receive pro rata Refund Amounts, if full payment is not available for all Eligible Consumers;
- e. Once all Refund Amounts and costs of administration have been deducted from the Restitution Payment, any residual amounts will be allocated to the Supreme Court Judicial Fund as a civil penalty pursuant to Sec. 402.007(b)(1) of the Texas Government Code;
- f. After the Claims Deadline Date, the Claims Administrator will prepare such report as the State may require; and
- g. Checks returned to the Claims Administrator shall be treated in accordance with the State of Texas' unclaimed property laws.

ATTORNEYS' FEES

22. **IT IS FURTHER ORDERED** that the State shall have judgment against Defendant for attorneys' fees and court costs in the amount of FIVE THOUSAND AND NO/100 DOLLARS (\$5,000.00).

23. **IT IS FURTHER ORDERED** that Defendant's payments to the State for attorneys' fees and court costs shall be paid by certified check or wire transfer, payable to the "STATE OF TEXAS," bearing the reference AG# CX5192048165 and if not by wire transfer, deliver/mailed to the Office of the Attorney General, ATTN: Accounting Division, 300 W. 15th St., MC-003, Austin, TX 78701.

MISCELLANEOUS PROVISIONS

24. **IT IS FURTHER ORDERED** that Defendant's payments to the State for restitution and attorneys' fees and court costs referenced in Paragraphs 20.b and 22-23, respectively, shall be made in accordance with the following schedule: an initial payment to the State of FIVE THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$5,500.00) within thirty (30) days of entry of the Agreed Judgment, and thereafter, five (5) consecutive monthly payments of THREE THOUSAND FOUR HUNDRED AND NO/100 DOLLARS (\$3,400.00), with the first payment due on or before May 15, 2019, and a final payment due on or before September, 15, 2019. Payments to the State shall be allocated in the following order until each is fully paid: (1) restitution; and (2) attorney's fees and court costs.

25. **IT IS FURTHER ORDERED** that nothing in this Agreed Judgment shall create any private rights, causes of action, or remedies against Defendant and nothing in the Agreed Judgment shall be construed as a waiver of any private rights, causes of action, or remedies of any person against Defendant with respect to the practices or conduct described herein.

26. **IT IS FURTHER ORDERED** that to the extent that the provisions of this Agreed Judgment conflict with any Texas, local, or federal law or regulation that now exists, or is later enacted or amended, such law or regulation, and not this Agreed Judgment shall apply. For the purpose of this Agreed Judgment, such conflict exists if conduct prohibited by this Agreed Judgment is required or expressly permitted by such Texas, local, or federal law or regulation, or if conduct required by this Agreed Judgment is prohibited by such Texas, local or federal law or regulation.

27. **IT IS FURTHER ORDERED** that the terms of this Agreed Judgment are not intended to alter Defendant's lawful contractual obligations with its fuel distributor(s) and supplier(s).

28. **IT IS FURTHER ORDERED** that Defendant's indebtedness to the State identified above are for alleged violations of the DTPA.

29. **IT IS FURTHER ORDERED** that in consideration of the State's agreement to accept payments over time, Edelmiro Jose Martinez, as shown by his signature below, agrees to guaranty in his individual capacity, all payments hereunder, and if for any reason there is a default in payments, the full amount owed becomes due. The State shall be permitted to abstract the judgment as provided by law, but will forbear execution so long as payments are made pursuant to the terms of the Agreed Judgment.

30. **IT IS FURTHER ORDERED** that Defendant, by its signatures below, hereby acknowledges notice of this Agreed Judgment and acceptance of the same. Plaintiff may enforce the Agreed Judgment through any procedure or process available under the laws of the State of Texas.

31. **IT IS FURTHER ORDERED** that Defendant shall not represent to the public that this Agreed Judgment constitutes approval by the State or this Court of any of Defendant's actions or business practices.

32. **IT IS FURTHER ORDERED** that this Agreed Judgment is final as to all parties and disposes of all claims asserted by the parties in this instant case. All relief asserted or which could have been asserted among the parties to this Agreed Judgment hereto based on the legal and factual allegations in this underlying cause for alleged violations of the DTPA not expressly granted herein is denied. The State hereby fully releases, waives, and discharges Defendant and its officers, agents, representatives, and employees from any claims arising out of or related to facts alleged in this underlying cause for alleged violations of the DTPA prior to the date this Agreed Judgment is entered by the Court. This Agreed Judgment does not, however, affect the rights of or remedies available to any third party that is not subject to this order.

SIGNED this 13th day of May 2019.



JUDGE PRESIDING

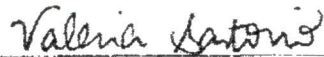
AGREED AS TO SUBSTANCE AND FORM AND ENTRY REQUESTED:

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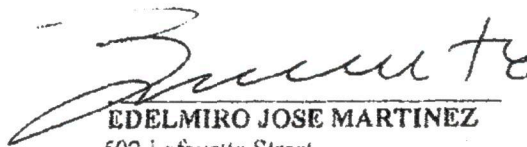
ATTORNEY FOR DEFENDANT,

LAFAYETTE C-STORIE, LLC d/b/a

TEJANO MART 505



EMILIANO ANDRES MARTINEZ
Authorized Business Signatory
502 Lafayette Street
Laredo, Texas 78041
DEFENDANT, LAFAYETTE C-STORE, LLC
d/b/a TEJANO MART 505



EDELMIRO JOSE MARTINEZ
502 Lafayette Street
Laredo, Texas 78041
INDIVIDUALLY, AS GUARANTOR FOR
DEFENDANT, LAFAYETTE C-STORE, LLC
d/b/a TEJANO MART 505

**CLAIM FORM FOR PRICE-GOUGING RESTITUTION FOR FUEL PURCHASES
DURING HURRICANE HARVEY DISASTER PROCLAMATION PERIOD**

NOTE: This claim form must be emailed or mailed and postmarked on or before June 30, 2019.

Distribution of restitution is estimated to be made by August 1, 2019.

Please provide your name and address:

1. Name: _____
 (First) (Middle) (Last)
2. Current address: _____
 Street Name and Number (include apartment number, if applicable)
 City: _____ State: _____ Zip Code: _____
3. Email address: _____

Instructions: To be eligible for restitution, please provide the information below. If you have a receipt from this transaction, please **attach the original receipt** and you need fill out only those items below which are not included in the receipt; otherwise, fill out the entire form. Submit **separate forms** if you purchased fuel on more than one day or at more than one station. Final determination of eligibility will be made based upon the requirements set out in the settlement agreement between the State and the gas station where you made your purchase. Note that your refund may be made on a pro rata basis if claims exceed the restitution funds available, which means you may only receive a portion of the amount that you were overcharged.

- a. The name of the gas station where you purchased the fuel: _____
 Address of that station _____
 Street Name and Number
 City: _____ State _____ Zip Code _____
- b. Date of purchase: _____
- c. Price you paid per gallon for the fuel: \$ _____
- d. Number of gallons of fuel purchased: _____
- e. Amount of total sale: \$ _____
- f. Make and model of vehicle for which the fuel was purchased: _____

Please affirm that you are the individual who paid for fuel as shown on your receipt by dating and signing here:

Date: _____ (Sign Here)

If you have any questions, call the settlement information line at 1-888-755-9508 (toll free), or write to the Hurricane Harvey Price-Gouging Claims Administrator at the address below:

Mail this form along with your receipt to: **Hurricane Harvey Price-Gouging Claims Administrator**
 c/o Dahl Administration
 PO Box 3614
 Minneapolis, MN 55403-0614

Or email this form and your receipt to: **HarveyClaim@DahlAdministration.com**