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the State of California
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LOS ANGELES SUPERIOR COURT

JUL 15 2011

JOHN A. CLARKE, CLERK
BY E. GARCIA, DEPUTY

Attorneys for Plaintiff, the People of the State
of California, *ex rel.*, the California Air
Resources Board

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

PEOPLE OF THE STATE OF CALIFORNIA
ex rel. THE CALIFORNIA AIR RESOURCES
BOARD,

Plaintiffs,

v.

EL SOL TRADING, INC., a California
Corporation; GLORIA MA, an individual;
ODES POWERSPORTS, INC., a California
Corporation; AMERICAN SPORTS CLUB,
INC., a California Corporation; PRO
MOTORSPORTS, INC., a California
Corporation; and DOES 1-50, inclusive,

Defendants.

CASE NO. BC430421

Assigned for All Purposes to:
Honorable Ronald M. Sohigian
Dept: 41

~~11/02/2010~~ JUDGMENT PURSUANT
TO STIPULATION

Judge: Honorable Ronald M. Sohigian
Trial Date: September 6, 2011
Action Filed: January 26, 2010

STIPULATION

Plaintiff THE PEOPLE OF THE STATE OF CALIFORNIA, *ex rel.* THE CALIFORNIA
AIR RESOURCES BOARD (Plaintiff), and Defendants El Sol Trading, Inc., Gloria Ma, Odes
Powersports, Inc. and American Sports Club, Inc., d.b.a. Pro Motorsports (Defendants), stipulate

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that a Judgment on the terms set forth below may and should be entered in this matter. The parties have settled on the below terms following good faith negotiations and with the desire to avoid further litigation.

SO STIPULATED.

For Defendant Gloria Ma

Dated: 6-29, 2011


Defendant Gloria Ma

For Defendant El Sol Trading, Inc.

Dated: 6-29, 2011


Gloria Ma
President El Sol Trading, Inc.

For Defendant Odes Powersports, Inc.

Dated: 6-29, 2011


Gloria Ma
President Odes Powersports, Inc.

For Defendant American Sports Club, Inc.

Dated: 6-29, 2011


Gloria Ma
President American Sports Club, Inc.

For Plaintiff State of California Ex Rel the California Air Resources Board

Dated: 7/8, 2011

By: 
JAMES N. GOLDSTONE
Executive Officer, Air Resources Board

7/28/11

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APPROVED AS TO FORM

Dated: July 11, 2011

KAMALA D. HARRIS
Attorney General of California
RICHARD J. MAGASIN
Supervising Deputy Attorney General



NOAH GOLDEN-KRASNER
Deputy Attorney General
*Attorneys for Plaintiff People of the State of
California ex rel. Air Resources Board*

Dated: June 29, 2011

Law Offices of Tom F.Y. King



Tom F.Y. King
Attorney for Defendants El Sol Trading, Inc.,
Odes Powersports, Inc. and American Sports
Club, Inc. and Gloria Ma

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JUDGMENT

Plaintiff, THE PEOPLE OF THE STATE OF CALIFORNIA, ex rel. THE CALIFORNIA AIR RESOURCES BOARD (Plaintiff), and Defendants El Sol Trading, Inc., Gloria Ma, Odes Powersports, Inc. and American Sports Club, Inc., d.b.a. Pro Motorsports (Defendants), having stipulated to entry of this judgment (Judgment), and good cause appearing for approval of said stipulation:

IT IS HEREBY ORDERED that Judgment is awarded in favor of Plaintiff as set forth below.

1. PERMANENT INJUNCTION

Defendants and their agents, servants, employees, representatives, and all persons acting in concert or participating with them, and each of them, are permanently enjoined from and ordered:

(i) Not to import, deliver, purchase, rent, lease, acquire, or receive a new motor vehicle, new motor vehicle engine, or motor vehicle with a new motor vehicle engine for use, registration, or resale in California unless such motor vehicle engine or motor vehicle has been certified under an Executive Order of the California Air Resources Board pursuant to the Health and Safety Code, Division 26, Part 5, Chapters 1 and 2 (Executive Order).

(ii) Not to sell, or offer to sell, to an ultimate purchaser who is a resident of or doing business in California any new motor vehicle, new motor vehicle engine, or vehicle with a new motor vehicle engine, which is intended primarily for use or for registration in California and which has not been certified under an Executive Order.

(iii) Not to attempt or assist in any action prohibited under (i) or (ii), immediately above. The words attempt or assist for purposes of this section shall include (a) representing to any person or business entity, or to any government agency, that any new motor vehicle, new motor vehicle engine, or vehicle with a new motor vehicle engine, which has not been certified under an Executive Order, is so certified, or is legal for use, registration, or resale in California, or (b) preparing, using, or distributing any writing to any person or business entity, or to any

1 government agency stating that any new motor vehicle, new motor vehicle engine, or vehicle with
2 a new motor vehicle engine, which has not been certified under an Executive Order, is so
3 certified, or is legal for use, registration, or resale in California.

4 No provision of the injunction shall bar Plaintiffs from seeking other judicial remedies
5 (including penalties or injunctive relief) as to future violations.

6 **2. PENALTIES**

7 The Defendants, jointly and severally, shall pay the Plaintiff a total penalty of Five
8 Hundred Ten Thousand dollars (\$510,000) under Health and Safety Code section 43154.

9 (i) The enforcement of the Judgment as to the payment of Three Hundred Eighty Five
10 Thousand dollars (\$385,000) of the total penalty amount shall be stayed (Stayed Penalty Amount)
11 as long as the following conditions are met: a) The Defendants, or any of them, do not willfully or
12 intentionally violate the permanent injunction; and, b) The Defendants, or any of them, do not
13 violate the payment conditions for payment of one hundred twenty five thousand dollars
14 (\$125,000) of the total civil penalty as set forth below.

15 (ii) Defendants shall pay the Plaintiff the sum of One Hundred Twenty Five thousand
16 dollars (\$125,000) in penalty payments in three separate payments over a twelve (12) month
17 period. A first payment of Fifty Thousand dollars (\$50,000) shall be made within ten (10) days of
18 the Plaintiff giving notice to the Defendants of the entry of this Judgment. A second payment of
19 Fifty Thousand dollars (\$50,000) shall be made within six (6) months from entry of this
20 Judgment. A third payment of Twenty Five Thousand (25,000) shall be made within twelve (12)
21 months from entry of this Judgment. All penalty payments shall be made payable to the
22 "California Air Pollution Control Fund." All payments and documents shall be sent to the
23 attention of:

24 Lisa Zarubick
25 Air Pollution Specialist
26 Air Resources Board, Enforcement Division
27 9480 Telstar Avenue,
28 Suite I, Annex 3
El Monte, CA 91731:

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3. RETAINED JURISDICTION

The Court shall retain jurisdiction pursuant to Code of Civil Procedure section 664.6 to enforce this settlement and Judgment including, but not limited to, determining that any violation of the payment provisions of this Judgment has occurred or to determine pursuant to noticed motion that any alleged violations of the permanent injunction whether the stay on enforcement of the Stayed Penalty Amount shall be set aside or lifted as to Defendants, and whether to order the Defendants to pay the entire Judgment of five hundred ten thousand dollars (\$510,000) within thirty (30) days following the order less credit for any monies already received pursuant to this Judgment.

4. ENFORCEMENT

A. Failure to Make Payments

(i) If the Defendants fail to timely make any of the three payments in Section 2.(ii) above, or fail to pay any of the three payments in Section 2.(ii) in full, then the Plaintiff or its counsel shall give notice by electronic mail and by mail to the Defendants at the following street address:

Tom F.Y. King, Esq.
E-mail: tfyk@sbcglobal.net
150 N. Santa Anita Ave., Suite 300
Arcadia, CA 91006

and

Ms. Gloria Ma
El Sol Trading, Inc.
E-mail: gloria@asctechs.com
19877 Quiroz Ct.
City of Industry, CA 91789

that the Defendants shall have ten (10) calendar days from the date of said notice to cure the violation and make the payment (Cure Period). There will be no further notices required.

(ii) If the Defendant fails to pay the full amount within the Cure Period, then the Plaintiff or its counsel may make an ex parte application, without further notice, to the Court seeking to lift or set aside the stay on the Stayed Penalty Amount and to order the Defendants to pay the entire

1 Judgment of five hundred ten thousand dollars (\$510,000) within thirty (30) days following the
2 order, less credit for any monies already received by Plaintiff pursuant to this Judgment.

3 (iii) If the Attorney General's Office files a civil action to enforce this Judgment,
4 Defendants, and each of them, shall pay all costs of investigating and prosecuting the action,
5 including expert fees, reasonable attorney's fees, and costs.

6 **B. Failure to Comply With Injunction**

7 (i) If the Plaintiff believes that any willful or intentional violation of the permanent
8 injunction has taken place, then it or its counsel shall meet and confer with the Defendants in an
9 attempt to resolve any dispute without Court intervention.

10 (ii) If Defendants fail to meet and confer with Plaintiff or its counsel, then the Plaintiff
11 may bring a regularly noticed motion seeking to lift or set aside the stay on the Stayed Penalty
12 Amount and to order the Defendants to pay the entire Judgment of five hundred ten thousand
13 dollars (\$510,000) within thirty (30) days following the order, less credit for any monies already
14 received by Plaintiff pursuant to this Judgment.

15 (iii) If after the meet and confer takes place the Plaintiff believes that a willful or
16 intentional violation of the injunction has not been resolved, then the Plaintiff may bring a
17 regularly noticed motion seeking to lift or set aside the stay on the Stayed Penalty Amount and to
18 order the Defendants to pay the entire Judgment of five hundred ten thousand dollars (\$510,000)
19 within thirty (30) days following the order, less credit for any monies already received by
20 Plaintiff pursuant to this Judgment.

21 (iv) If the Court determines that any willful or intentional violation(s) of the permanent
22 injunction has occurred, then the Court shall lift or set aside the stay on the Stayed Penalty
23 Amount and order the Defendants to pay the entire Judgment of five hundred ten thousand dollars
24 (\$510,000) within thirty (30) days following the order, less credit for any monies already received
25 by Plaintiff pursuant to this Judgment. For purposes of this Stipulated Judgment, the parties
26 agree that criteria for determining whether a willful or intentional violation has occurred shall
27 include:
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1. whether the model vehicle at issue was previously cited by ARB;
 2. the number of vehicles acquired, received, imported, offered for sale, or sold;
 3. the procedures taken by the Defendants to prevent violations of the permanent injunction;
 4. whether the Defendants knowingly misrepresented or advertised the vehicles or engines as certified or legal for sale in California;
 5. the extent of dissemination of any representation or advertisement that claims or implies that the vehicles or engines are certified or legal for sale in California;
 6. Defendants' misrepresentations as to other matters related to the vehicles or engines;
- and,
7. any other factor the court determines relevant in evaluating whether the violation was willful or intentional.

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C. Effect of Bankruptcy

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It is agreed that the penalty described in paragraph 2, above is punitive in nature, rather than compensatory. Furthermore, the penalty is intended to deter and punish defendants for violations of state environmental statutes, and this penalty is payable to and for the benefit of ARB, a governmental unit. Therefore, it is agreed that this penalty imposed on defendants by ARB arising from the facts described in the Amended Complaint are nondischargeable under 11 U.S.C § 523 (a)(7), which provides an exception from discharge for any debt to the extent such debt is for a fine, penalty or forfeiture payable to and for benefit of governmental unit, and is not compensation for actual pecuniary loss, other than certain types of tax penalties.

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5. COMPUTATION OF TIME

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If the last day for the performance of any act provided or required by this Judgment falls on a weekend or holiday, then that period is extended to the next business day. "Holiday" means all holidays specified in Code of Civil Procedure section 135, and to the extent provided in Code of

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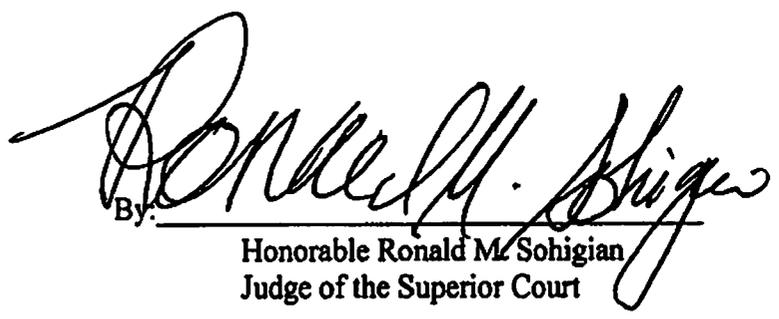
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Civil Procedure section 12b, all days that by terms of section 12b are required to be considered as holidays.

NOTICE by plaintiff forthwith.

IT IS SO ORDERED ADJUDGED AND DECREED.

Dated: July 15, 2011.

By: 
Honorable Ronald M. Sohigian
Judge of the Superior Court

DECLARATION OF SERVICE BY U.S. MAIL

Case Name: **People v. El Sol Trading, Inc., et. al.**

No.: **BC430421**

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 or older and not a party to this matter; my business address is 300 South Spring Street, Suite 1702, Los Angeles, CA 90013.

On July 11, 2011, I served the attached

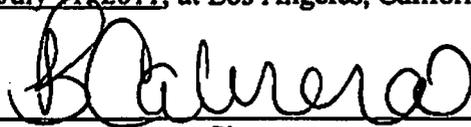
[PROPOSED] JUDGMENT PURSUANT TO STIPULATION

by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid, in the United States Mail at Los Angeles, California, addressed as follows:

Tom F. Y. King
Attorney at Law
150 N. Santa Anita Ave., Suite 300
Arcadia, CA 91006
El Sol Trading, Inc.

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 July 11, 2011, at Los Angeles, California.

Blanca Cabrera
Declarant



Signature

LA2008601321
60650379.doc

7/26/11