

1.3 The State alleges that Defendant engaged in trade and commerce affecting consumers in North Carolina within the meaning of N.C. Gen. Stat. § 75-1.1, which included: (1) offering to sell medical face masks at prices that are unreasonably excessive under the circumstances, during a state of emergency declared by the Governor of North Carolina, in violation of North Carolina's price gouging law, N.C. Gen. Stat. § 75-38; and (2) engaging in unfair or deceptive acts or practices in violation of N.C. Gen. Stat. § 75-1.1 *et seq.*

1.4 Defendant denies the State's allegations in paragraph 1.3 but, in the interest of resolving this matter, desires to resolve this controversy without further proceedings and is therefore willing to agree to the entry of this Consent Judgment.

II. CONCLUSIONS OF LAW

2.1 This Court has jurisdiction over the parties and the subject matter of this action.

2.2 Venue is proper in Wake County.

2.3 North Carolina's price gouging law, N.C. Gen. Stat. § 75-38, governs the alleged business practices of Defendant that gave rise to this controversy.

2.4 The North Carolina Attorney General is the proper party to commence these proceedings under the authority of N.C. Gen. Stat. §§ 75-14 and -15, and by virtue of his statutory and common law authority to protect the interests of the citizens of the State of North Carolina.

2.5 This Consent Judgment shall be governed by the laws of the State of North Carolina.

2.6 Entry of this Consent Judgment is just and proper and in the public interest.

2.7 The State's Complaint states a cause of action against Defendant upon which relief may be granted, and the Court finds good and sufficient cause to adopt this agreement of the parties and these findings of fact and conclusions of law as its determination of their respective rights and obligations and for entry of this Consent Judgment.

2.8 The parties have agreed to resolve their differences and the agreement of the parties is just and reasonable with respect to all parties.

2.9 The Court approves the terms of the parties' agreement and adopts them as its own determination of the parties' respective rights and obligations.

III. GENERAL PROVISIONS

3.1 Other State Governmental Entities. This Consent Judgment shall not bind any other offices, boards, commissions, or agencies of the State of North Carolina and nothing in this Consent Judgment shall in any way preclude any investigation or enforcement under any legal authority granted to the State for transactions not subject to this action.

3.2 Retention of Jurisdiction. The Court retains jurisdiction over this action to take any further action deemed necessary to enforce this Consent Judgment, including imposition of penalties, and to award the State judgments for any costs, including attorney's fees, it incurs in the event of noncompliance by defendant.

3.3 No Sanction of Business Practices. Defendant shall not represent directly or indirectly or in any way whatsoever that the Court or the North Carolina Attorney General has sanctioned, condoned, or approved any part or aspect of Defendant's business operations.

3.4 Release of Claims. This Consent Judgment shall fully resolve all legal claims and issues raised in the State's Complaint against Defendant for its activities up to the date of this Consent Judgment.

3.5 No Admission of Violation of Law. This Consent Judgment shall not be construed as, or be evidence of, admissions by Defendant, nor shall it be construed as a finding or conclusion by this Court of any violation of North Carolina law, or any other law.

3.6 Private Right of Action. Nothing in this Consent Judgment shall be construed to affect any private right of action that a consumer, person, entity, or by any local, state, federal or other governmental entity, may hold against Defendant.

3.7 Regulation of Other Conduct. Nothing in this Consent Judgment is intended to relieve defendant of its responsibility to comply with all applicable North Carolina laws.

IV. PERMANENT INJUNCTIVE RELIEF

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED that:

4.1 Defendant and its officers, agents, servants, employees, successors, assigns, attorneys, and any others acting in concert or under the actual direction or control of Defendant are hereby permanently restrained and enjoined from engaging in acts and practices prohibited by Article 1 of Chapter 75 of the North Carolina General Statutes.

4.2 Defendant and its officers, agents, servants, employees, successors, assigns, attorneys, and any others acting in concert or under the actual direction or control of Defendant are hereby permanently restrained and enjoined, pursuant to N.C. Gen. Stat. § 75-14, specifically from:

4.2.1 offering to broker or sell, or brokering or selling, personal protective equipment (including, but not limited to, medical face masks, gowns, gloves, goggles and face shields, or other garments or equipment designed to protect the wearer's body from injury or infection) at a price that is unreasonably excessive under the circumstances during a state of emergency or abnormal market disruption declared by the Governor of North Carolina and that would constitute a violation of North Carolina's price gouging law, N.C. Gen. Stat. § 75-38; and

4.2.2 making any unfair, deceptive, or misleading representation about the price at which it offers, has offered, or sells or sold goods or services ("price" as used herein includes, but is not limited to, price related terms such as defendant's markup or margin, or whether the represented price is a reduction or concession defendant has obtained from a third person) and that would constitute a violation of N.C. Gen. Stat. § 75-1.1.

4.3 Defendant acknowledges that a material part of the consideration for the Attorney General to enter into this Consent Judgment is Defendant's representations that it did not: (a) sell medical face masks to any person or entity within the State of North Carolina on or after March 10, 2020, through the date this Consent Judgment is entered, although the possibility exists that during this time period it sold non-medical masks to a customer outside of North Carolina and then that customer (or that customer's customer) delivered some masks or a portion of them to a person or entity in NC; to the extent that these sales of non-

medical masks to a customer outside of North Carolina may have happened, Defendant represents that it did not receive a commission or any type of compensation in connection with any later sales in North Carolina that may have occurred; (b) broker any sales of medical face masks to any person or entity within the State of North Carolina on or after March 10, 2020, through the date this Consent Judgment is entered. If, upon motion by the State, the Court finds that any of these representations are false, the State will be entitled to seek appropriate relief from the Court, including but not limited to restitution, disgorgement, civil penalties, attorneys' fees, and any other relief allowed by law, notwithstanding the release of claims in Paragraph 3.4 above.

V. MONETARY RELIEF

IT IS FURTHER ORDERED that:

5.1 Monetary Relief. Defendant shall pay the total sum of \$150,000.00 to the Attorney General in settlement of the claims in this matter. Of this sum, \$140,000.00 is a civil penalty and \$10,000.00 is for attorney's fees, investigative costs, consumer protection enforcement, other consumer protection or restitution purposes, and other purposes allowed by law, at the discretion of the Attorney General.

5.2 Method and Timing of Payments. Defendant shall pay the above sums to the Attorney General via cashier's check, certified funds, or wire transfer made payable to the "North Carolina Department of Justice" on or before the date this Consent Judgment is executed.

SO ORDERED, this, the 21 day of October, 2020.



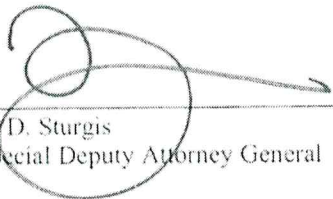
SUPERIOR COURT JUDGE

CONSENTS FOLLOW ON NEXT PAGE

THE UNDERSIGNED PARTIES HEREBY CONSENT TO THE TERMS AND
CONDITIONS OF THIS CONSENT JUDGMENT AS SET FORTH ABOVE, AND
HEREBY CONSENT TO ENTRY THEREOF:

PLAINTIFF:

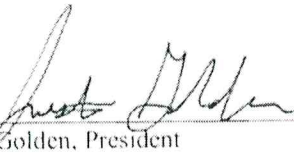
STATE OF NORTH CAROLINA,
ex rel. JOSHUA H. STEIN,
Attorney General



K.D. Sturgis
Special Deputy Attorney General


Date: 10/28/2020

DEFENDANT:



Justin Golden, President

Date: 10/28/2020



Ripley Rand, Esq.
Womble Bond Dickinson
(US) LLP

Date: 10/28/2020