



San Diego City Attorney Jan I. Goldsmith

NEWS RELEASE

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O'REILLY AUTO PARTS (CSK AUTO, INC.) AGREES TO PAY \$1,550,000 FOR ALLEGED SCANNER PRICE AND INJUNCTION VIOLATIONS

San Diego, CA: In a settlement filed on July 1, 2014 with District Attorney Offices in San Bernardino, Santa Clara and Santa Cruz Counties and the San Diego City Attorney's Office, CSK Auto, Inc. has agreed to pay \$1,550,000 in civil penalties, investigation costs and restitution for alleged scanner price and injunction violations. CSK Auto, Inc. (now known as O'Reilly Auto Enterprises, LLC ("O'Reilly")) is a Delaware corporation that operates automotive parts stores, including over 480 O'Reilly Auto Parts (formerly Kragen) stores in California.

The settlement (please see attached) follows an investigation by county Weights and Measures departments into alleged pricing violations, in which O'Reilly cooperated fully. As part of their enforcement efforts, Weights and Measures inspectors from various counties reported hundreds of violations. The alleged violations included sale prices and discounts not being applied at checkout and a failure to comply with the terms of an injunction issued against CSK/Kragen pursuant to a 2008 stipulated judgment.

Under the terms of the settlement, O'Reilly has agreed to and is required to maintain a "\$5 Off or Get It Free Program" to protect consumers against overcharges. Any customer who discovers an overcharge can obtain \$5.00 off the price of the item; or, if the item price is less than \$5.00, O'Reilly has agreed to give the item to the customer for free. O'Reilly also agreed to post a 23.5" x 48" sign in each California store notifying consumers of the program. As part of the settlement, O'Reilly has agreed to appoint a corporate representative to oversee a Compliance Program and to designate a Price Auditor for each retail location. The settlement does not include any admission of wrongdoing.

San Diego City Attorney Jan Goldsmith stated, "**San Diego consumers have a right to expect that the prices they see in stores will be the prices they pay. This action will help to ensure that our citizens are treated fairly when they shop, as well maintain a level playing field for business competitors.**"

The San Diego County Department of Agriculture, Weights and Measures, is the agency which inspected O'Reilly's locations throughout San Diego County. The agency takes complaints from members of the public who believe they have been overcharged by businesses, at (858) 694-2778.

The City Attorney's Consumer & Environmental Protection Unit (CEPU) maintains a Consumer Hotline at (619) 533-5600, which consumers can call to report consumer complaints. For consumer tips and information check out consumer news on the City Attorney's webpage, Newsletters/Office of the City Attorney or at <http://www.sandiego.gov/cityattorney/media/newsletters.shtml>

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