

**IN THE MATTER OF**

**SETTLEMENT AGREEMENT**

**Shri Mahavir Corporation d/b/a Circle B**

This Settlement Agreement (hereinafter "Agreement") is entered into by Roy Cooper, Attorney General of the State of North Carolina (hereinafter "Attorney General"), and Shri Mahavir Corporation d/b/a/ Circle B (hereinafter "Circle B").

**I. FACTUAL BACKGROUND**

1. Circle B is a corporation formed and existing under the laws of the State of North Carolina.
2. Circle B operates a retail gasoline outlet station located at 101 South McPherson Church Road, Fayetteville, North Carolina .
3. On September 12, 2008, Governor Michael F. Easley declared the existence of an "abnormal market disruption" pursuant to G.S. 75-38 (hereinafter the "Declaration"). Such a Declaration is intended to prevent sellers of goods and services from charging "unreasonably excessive" prices for those goods or services under the conditions outlined in the statute.
4. The Attorney General received numerous allegations of unreasonably excessive pricing following the Declaration and undertook an investigation. At the request of the Attorney General, Circle B produced records which disclosed its cost, pricing and sales volume information for the period prior to and following the Declaration.
5. Prior to the Declaration, Circle B charged \$3.999 for regular gasoline for which it paid \$3.7344 per gallon. The pre-Declaration mark up for regular gasoline was 26.46 cents per gallon, a 7 % mark up. After the Declaration, Circle B charged \$5.499 for regular

gasoline for which it paid \$3.7344. The post-Declaration mark up for regular gasoline was \$1.7646 per gallon, a 47% mark up.

6. Prior to the Declaration, Circle B charged \$4.119 for mid-grade gasoline for which it paid \$3.6895 pre gallon. The pre-Declaration mark up for mid-grade gasoline was 42.95 cents per gallon, an 12 % mark up. After the Declaration, Circle B charged \$5.619 for mid-grade gasoline for which it paid \$3.6895. The post-Declaration mark up for mid-grade gasoline was \$1.9295 per gallon, a 52 % mark up.
7. Prior to the Declaration, Circle B charged \$4.239 for super grade gasoline for which it paid \$3.5583 pre gallon. The pre-Declaration mark up for this sale of gasoline was 68.07 cents per gallon, a 19 % mark up. After the Declaration, Circle B charged \$5.739 for super grade gasoline for which it paid \$3.5583. The post-Declaration mark up for super grade gasoline was \$2.1807 cents per gallon, a 61 % mark up.
8. The Attorney General contends that the prices charged by Circle B after the Declaration constituted unreasonably excessive prices for the time period from approximately 2:00 p.m. to 7:00 p. m. on September 12, 2008 (hereinafter referred to as “the relevant time period”).
9. During the relevant time period, Circle B sold 403 gallons of regular gasoline, 136 gallons of mid-grade gasoline and 190 gallons of super grade gasoline.
10. The Attorney General contends that During the relevant time frame Circle B overcharged for all grades of gasoline by \$1.50 per gallon.
11. The Attorney General and Circle B are desirous of entering into this settlement agreement to resolve the allegations of excessive pricing.

## SETTLEMENT PROVISIONS

12. Circle B shall make restitution to consumers in the sum of \$1,093.50, which represents the number of gallons of each grade sold during relevant time period times the amount per gallon that the Attorney General contends was the unreasonably excessive overcharge for each grade. Said restitution will be distributed in the following manner:
  - a. Circle B, within thirty (30) days of the execution of this settlement agreement, shall identify all credit card customers who purchased gasoline during the relevant time period and credit a refund to their credit cards in the amount of \$1.50 per gallon for all gasoline grades. Circle B shall refund the same amounts per gallon to every consumer who presents, within thirty (30) days of the execution of this Settlement, a cash receipt or other proof of purchase demonstrating a purchase within the relevant time frame.
  - b. Circle B, within sixty (60) days of the execution of this settlement agreement, shall provide the Attorney General with a sworn accounting of all refunds made pursuant to paragraph 12(a). The accounting shall include the name, address and amount of refund for each consumer. Circle B, contemporaneously with the accounting, shall pay to the Attorney General the difference between \$1,093.50 and the amount the accounting shows was distributed to consumers. This payment shall be made to the Attorney General via a check made payable to the "North Carolina Department of Justice." The Attorney General shall provide this amount to the Low Income Heat and Energy Assistance Program (LIHEAP) to be used for energy assistance in the county where the overcharges occurred.
13. Contemporaneously with the signing of this settlement agreement, Circle B shall pay to

the Attorney General \$5000.00 as a civil penalty pursuant to N.C. Gen. Stat. § 75-15.2, and \$109.35 for the Department of Justice's investigative costs. These payments shall be made to the Attorney General via a check made payable to the "North Carolina Department of Justice."

14. Circle B acknowledges that it is fully aware of the terms of N.C. Gen. Stat. § 75-38, a copy of which is attached hereto as "Attachment A," and agrees to abide by the statute in all future business transactions.
15. By executing this Agreement, and in consideration of Circle B's undertakings set forth herein, the Attorney General agrees not to institute any suit or enforcement proceeding against Circle B with respect to alleged unreasonably excessive pricing during the relevant time period. Circle B, however, acknowledges that this settlement is based upon information that it has provided to the Attorney General. If any of the information provided to the Attorney General by Circle B is shown to be false or incomplete, the Attorney General shall retain the right to pursue legal action concerning overcharges at Circle B based on new information. The Attorney General further retains the right to pursue legal action concerning overcharges at any other location owned or operated by Circle B.
16. Should Circle B fail to comply with any of the provisions of this settlement agreement, it agrees to pay a stipulated penalty of \$5000 per violation.

**THE UNDERSIGNED, WHO HAVE THE AUTHORITY TO CONSENT AND SIGN ON BEHALF OF THE PARTIES IN THIS MATTER, HEREBY CONSENT TO THE FORM AND CONTENTS OF THE FOREGOING SETTLEMENT AGREEMENT.**

Signed this 16 of Oct., 2008.

**Shri Mahavir Corporation d/b/a Circle B**

By: Dilip K. Gala.  
**Dilip K. Gala, President**

**ROY COOPER,  
Attorney General**

By: Kip D. Sturgis  
**Kip D. Sturgis  
Assistant Attorney General**