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- **PLAINTIFF**
- Plaintiff, PEOPLE OF THE STATE OF CALIFORNIA ("People"), brings its actions
- by and through Bill Lockyer, Attorney General of the State of California ("Attorney General"),
 - and at the request of the California State Water Resources Control Board and the California
- Environmental Protection Agency, and by and through Dennis Herrera, San Francisco City
 - Attorney ("City Attorney") at the request of the San Francisco Department of Public Health.
 - Pursuant to California Health and Safety Code Section 25299.02, the Attorney General 2.
- and the City Attorney may bring a civil action in the name of the People of the State of
- California for violations of state law dealing with the underground storage of hazardous
- substances, as set forth in Chapter 6.7 of the California Health and Safety Code (hereinafter
- "Chapter 6.7").
 - Pursuant to California Health and Safety Code Section 25299.01, the Attorney General 3.
- 14 and the City Attorney may apply to a superior court for an injunction or an order directing
 - compliance against any person who has engaged in, is engaged in, or is about to engage in any
- 16 acts or practices which violate Chapter 6.7. Pursuant to California Health and Safety Code
 - Section 25299, defendants, and each of them, are liable for civil penalties for violations of
 - Chapter 6.7.
 - Pursuant to California Business and Professions Code Sections 17203, 17204, and
- 20 17206, the Attorney General and the City Attorney may bring actions in the name of the People
- of the State of California in a superior court for an injunction against any person who engages, 21
 - had engaged, or proposes to engage in unfair competition and for civil penalties for each act of
 - unfair competition.
- 24 The Attorney General brings this action following a referral by the State Water
- Resources Control Board (hereinafter "State Board") and the California Environmental 25
 - Protection Agency (hereinafter "Cal/EPA"). Pursuant to California Health and Safety Code
 - Sections 25299.3 and 25299.7, the State Board has the responsibility to adopt regulations which
 - implement Chapter 6.7. Pursuant to California Government Code Section 12812.2, Cal/EPA is

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1	authorized to refer the violations alleged herein to the Attorney General. The City Attorney
2	brings this action following a referral from the San Francisco Department of Public Health.
3	Pursuant to San Francisco Health Code Section 1106(3), the San Francisco Department of
4	Health is the certified unified program agency for the City and County of San Francisco and is
5	responsible for the administration of the requirements of California Health and Safety Code,
6	Chapter 6.7. The Attorney General and the City Attorney are co-counsel for claims related to
7	underground tank systems located in the City and County of San Francisco (ARCO facility
8	#566, 763, and 6136 which are hereinafter collectively referred to as the "San Francisco
9	Facilities"). For all other claims related to underground tank systems in the State of California
10	outside the City and County of San Francisco, the Attorney General is sole counsel for the
11	People of the State of California.
12	6. For the purposes of this Complaint, the definitions applicable to terms set forth in Heal

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6. For the purposes of this Complaint, the definitions applicable to terms set forth in Health and Safety Code Sections 25281 and 25281.5 shall apply. For the purposes of this Complaint, the term "non-upgraded underground tank system" means a tank system which required an upgrade compliance certificate pursuant to Health and Safety Code Section 25284 and did not meet the applicable requirements for upgrade or any applicable exceptions thereto.

DEFENDANTS

- 7. Defendant, Atlantic Richfield Company is a Delaware Corporation. Atlantic Richfield Company owns and/or operates underground tank systems in the State of California that are used to store motor vehicle fuel for retail sale. Atlantic Richfield Company also refines and delivers motor vehicle fuel to service stations for retail sales to the public.
- Defendant, Prestige Stations, Inc. (hereinafter "Prestige") is a Delaware corporation. Prestige is a wholly-owned subsidiary of Atlantic Richfield Company. Prestige operates certain underground tank systems in the State of California for or on behalf of Atlantic Richfield Company.
- For the purposes of this complaint, the term "ARCO" shall collectively refer to the Atlantic Richfield Company, ARCO Products Company, and Prestige.
- 10. In this complaint, when reference is made to any act of ARCO, such allegations shall

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- 13. This action arises out of ARCO's violations of state law regarding the upgrading of underground tank systems in the State of California, additional operational violations at ARCO's underground tank systems located in the City and County of San Francisco, and the delivery of motor vehicle fuel by Atlantic Richfield Company to non-upgraded underground tank systems. Each underground tank system identified in this complaint, stored and dispensed motor vehicle fuel during the times pertinent to this complaint.
- 14. Pursuant to the California Health and Safety Code, including but not limited to Sections 25284, 25291 and 25292, ARCO, as an owner or operator of an underground tank system, was required to upgrade certain of its underground tank systems by December 22, 1998 to meet standards for corrosion protection, leak detection, and spill prevention, and other environmental protection measures. The purpose of these upgrade requirements was to reduce the possibility of undetected releases or discharges from underground tank systems and thereby protect the underlying environment and water supplies. The December 22, 1998, deadline for upgrade requirements has been known or should have been known to ARCO since 1988.

- 15. Pursuant to California Health and Safety Code Section 25292.3(a), fuel delivery is prohibited to any underground tank system on or after January 1, 1999 which did not display a certificate indicating that the system had been upgraded to meet the requirements imposed by state law.
- 16. Prior to the December 22, 1998 deadline, the State Board and other entities with regulatory responsibilities over underground tank systems engaged in an extensive public information campaign which alerted motor vehicle fuel retailers such as ARCO of the impending deadline and the steps necessary to bring previously installed underground tank systems into compliance with the new requirements.
- 17. In order to meet the December 22, 1998 deadline, other owners and operators of motor vehicle fuel retail facilities throughout the State of California were forced to suspend retail sales of gasoline and suffer consequential loss of sales at associated markets while improvements were made to their underground tank systems.
- 18. Due to the demand for improvements to underground tank systems prior to December 22, 1998 and the limited number of contractors who could perform the upgrade work, the cost of making the improvements to meet the upgrade requirements was significant. Those owners and operators, such as ARCO, who did not undertake improvements to their underground tank systems prior to December 22, 1998 and who delayed compliance were able to later employ contractors to do upgrade work in a less competitive environment and may have realized significant savings due to increased contractor availability and the postponement of facility improvement expenditures.
- 19. ARCO failed to upgrade certain of its underground tank systems as required by California Health and Safety Code, Chapter 6.7, including but not limited to Section 25292, and the implementing regulations. The noncomplying underground tank systems are at the locations set forth in Exhibit "A" to the Complaint which is incorporated herein by reference. ARCO's non-compliance was widespread and statewide. At those facilities in which ARCO failed meet the upgrade requirements, ARCO, nevertheless, obtained upgrade certificates from local agencies thus allowing ARCO to continue to receive motor vehicle fuel at its underground tank

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systems. These upgrade certificates were issued by the local agencies based upon erroneous, incorrect, or incomplete information supplied to the local agencies by or on behalf of ARCO regarding the construction or condition of the underground tank system, including piping associated with the system. This erroneous, incorrect, or incomplete information was contained in applications, reports, records or other documents submitted or required to be maintained by ARCO pursuant to California Health and Safety Code, Chapter 6.7.

- 20. Although ARCO did not comply with the upgrade requirements, ARCO continued to operate underground tank systems and to sell motor vehicle fuel from the non-complying underground tank systems beyond the upgrade deadline of December 22, 1998.
- After January 1, 1999, Atlantic Richfield Company delivered motor vehicle fuel to non-21. upgraded underground tank systems which did not have legitimate upgrade certificates in violation of Health and Safety Code Section 25292.3.
- Not only did ARCO receive revenue from the sale of motor vehicle fuels to and from the 22. non-compliant tank systems, ARCO also received revenues from retail markets which were operated in conjunction with the sale of motor vehicle fuels from the non-upgraded underground tank systems.
- 23. As a result of ARCO's statewide noncompliance, it operated underground tank systems which were not protected against the potential release of motor vehicle fuels to the environment under and around the non-compliant underground tank systems. ARCO's continued operation of these non-compliant systems endangered public health and safety and the environment, including but not limited to, soil and groundwater under and around these underground tank systems.
- The retail service stations listed on Exhibit "A" were in violation of the upgrade 24. requirements (hereinafter "ARCO Facilities"). The Exhibit identifies the ARCO number and locations of underground tank systems at the retail service stations that were in violation of the upgrade requirements.
- 25. Except for the San Francisco Facilities, this action does not address any other violations of Chapter 6.7 except for the upgrade violations, improper certifications related to upgrade

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1	violations, and fuel delivery to non-upgraded underground tank systems. Plaintiff brings this
2	action without prejudice to any other action or claims which it may have based on separate,
3	independent and unrelated violations of Chapter 6.7 by ARCO and/or on facts which are not
4	alleged in this Complaint.
5	FIRST CAUSE OF ACTION
6	(Failure to Upgrade Underground Tank Systems)
7	26. People reallege Paragraphs 1 through 25, inclusive.
8	27. Since December 22, 1998, ARCO has owned and/or operated the underground tank
9	systems set forth in Exhibit "A" in violation of the upgrade requirements of California Health
10	and Safety Code Sections 25291 and 25292(e).
11	28. Pursuant to California Health and Safety Code Section 25299(a)(6), ARCO is liable for
12	civil penalties in an amount from FIVE HUNDRED DOLLARS (\$500.00) to FIVE
13	THOUSAND DOLLARS (\$5,000.00) for each day of violation at each underground tank
14	system owned or operated by ARCO. Where a retail station contains multiple underground
15	storage tank systems in violation of the upgrade requirements, each underground tank system is
16	a separate underground tank system for the purposes of determining and assessing civil
17	penalties.
18	29. ARCO must be immediately and permanently enjoined from operating any underground
19	tank system which has not been upgraded in accordance with the applicable provisions of
20	California Health and Safety Code, Chapter 6.7, including but not limited to Section 25292.
21	30. ARCO must be required to abate and remedy, under the supervision of and to the
22	satisfaction of appropriate regulatory entities, any release of motor vehicle fuels, or any
23	chemical component thereof, occurring after December 22, 1998 from any non-upgraded
24	component of an underground tank system.
25	SECOND CAUSE OF ACTION
26	(Illegal Delivery of Motor Vehicle Fuel to Underground Tank Systems Which
27	Did Not Comply with Upgrade Requirements)
28	31. People reallege Paragraphs 1 through 25, inclusive.

Chapter 6.7 or the requirements of that chapter or regulations adopted by the State Board

pursuant to California Health and Safety Code Section 25299.3;

Violations of the applicable requirements of California Health and Safety Code

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- underground tank system which has not been upgraded in accordance with the requirements of California Health and Safety Code, Chapter 6.7, including but not limited to Section 25292, and whose operation constitutes unfair competition within the meaning of California Business and Professions Code Section 17200.
- 47. The Court should immediately and permanently enjoin ARCO from operating any underground tank system at the San Francisco Facilities which is in violation of the requirements of California Health and Safety Code, Chapter 6.7, and whose operation constitutes unfair competition within the meaning of California Business and Professions Code Section 17200.
- 48. The Court should compel ARCO to disgorge any and all profits resulting from the operation of any non-upgraded underground tank systems or the operation of non-compliant underground tank systems at the San Francisco Facilities, including profits from the sale of motor vehicle fuels and profits from the sales of merchandise from retail facilities operated in conjunction with the noncomplying underground tank systems.

FIFTH CAUSE OF ACTION

(Unfair Competition Through Delivery of Fuel to Non-upgraded Underground Tank Systems)

49. The People reallege Paragraphs 1 through 25, inclusive.

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violation of California Health and Safety Code Sections 25291 and 25292, as described herein,

The continued and regular delivery of motor vehicle fuel to underground tank systems in

- constitutes an act of unfair competition within the meaning of California Business and 3
- 4 Professions Code Section 17200. By the acts described herein, Atlantic Richfield Company
- engaged in daily acts of unlawful and/or unfair competition prohibited by California Business 5
- and Professions Code Sections 17200-17208. Each act constitutes an unlawful and/or unfair 6
- 7 business practice.
 - Pursuant to California Business and Professions Code Section 17206, Atlantic Richfield 51. Company is liable for civil penalties for each violation.
- 10 52. The Court should immediately and permanently enjoin Atlantic Richfield Company from
- 11 delivering motor vehicle fuel to any underground tank system which has not been upgraded in
- 12 accordance with the requirements of California Health and Safety Code, Chapter 6.7, including
- but not limited to Section 25292, and whose delivery of motor vehicle fuel constitutes unfair 13
- 14 competition within the meaning of California Business and Professions Code Section 17200.
- 15 Atlantic Richfield Company gained an unfair competitive advantage over its competitors 53.
- 16 by delivering and selling gasoline to underground tank systems which had not been upgraded
- 17 and, therefore, which should not have been operating retail gasoline sales after December 22,
- 1998. 18
- 19 54. The Court should compel Atlantic Richfield Company to disgorge any and all profits
- 20 resulting from the delivery and sale of motor vehicle fuels by Atlantic Richfield Company to
- 21 any non-upgraded underground tank system.
- 22 WHEREFORE, PLAINTIFFS PRAY FOR THE FOLLOWING RELIEF:
- 23 1. A permanent injunction prohibiting ARCO, and any other defendants, from
- 24 operating or using any underground tank system in the State of California which is not in
- 25 compliance with the applicable upgrade requirements of California Health and Safety Code,
- 26 Chapter 6.7, including but not limited to Section 25292;
- 27 2. A permanent injunction prohibiting ARCO, and any other defendants, from 28 delivering any motor vehicle fuel to any underground tank system which is in violation of the

applicable upgrade requirements of California Health and Safety Code, Chapter 6.7, for underground tank systems;

- 3. A permanent injunction prohibiting ARCO, and any other defendants, from engaging in any acts of unfair competition based on noncompliance with the applicable upgrade requirements set forth in California Health and Safety Code, Chapter 6.7, including but not limited to Section 25292;
- 4. A permanent injunction requiring ARCO, and any other defendants, to abate and remedy, under the supervision of and to the satisfaction of appropriate regulatory entities, any release of motor vehicle fuels, or any chemical component thereof, occurring after December 22, 1998 from any non-upgraded component of an underground tank system;
- Civil penalties according to proof against ARCO, and any other defendants,
 pursuant to California Health and Safety Code Section 25299, for ownership or operation of
 non-upgraded underground tank systems after December 22, 1998;
- Civil penalties according to proof against Atlantic Richfield Company, and any other defendants, pursuant to California Health and Safety Code Section 25299, for delivery of motor vehicle fuel to non-upgraded underground tank systems after January 1, 1999;
- 7. Civil penalties according to proof against ARCO, and any other defendants, pursuant to California Business and Professions Code Section 17206 for each act of unfair competition engaged in by ARCO arising out of the ownership or operation of an underground tank system which was not in compliance with the upgrade requirements of California Health and Safety Code, Chapter 6.7;
- 8. Civil penalties according to proof against Atlantic Richfield Company, and any other defendants, pursuant to California Business and Professions Code Section 17206 for each act of unfair competition engaged in by Atlantic Richfield Company for the delivery of motor vehicle fuel to underground tank systems which did not comply with the upgrade requirements of California Health and Safety Code, Chapter 6.7;
- Disgorgement of any and all profits resulting from the ownership or operation of any non-upgraded underground tank systems by ARCO, including profits from the sales of

1	merchandise	from retail facilities operated in cor	njunction with the underground tank systems;
2	10.	Disgorgement of any and all prof	fits resulting from the delivery of motor vehicle
3	fuels by Atlan	ntic Richfield to all non-upgraded u	underground tank systems;
4	11.	Grant the plaintiff its cost of insp	ection, investigation, attorneys fees,
5	enforcement,	prosecution, and suit, herein; and	
6	12.	Grant such other and further relie	ef as the Court deems just and proper.
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8	RESPECTFU	JLLY REQUESTED:	
9	Dated: June	12,2002	BILL LOCKYER, Attorney General
10			of the State of California RICHARD M. FRANK
11			Chief Assistant Attorney General THEODORA P. BERGER
12		36	Senior Assistant Attorney General REED SATO WILLIAM BRIEGER
13			MELINDA VAUGHN Deputy Attorneys General
14			Deputy Attorneys General
15			REED SATO
16			Deputy Attorney General Attorneys for Plaintiff, People of the State
17			of California and Plaintiff, Bill Lockyer, Attorney General of the State of California
18			content of the State of Camonna
19	Dated: June	<u>4</u> , 2002	DENNIS HERRERA, City Attorney
20			JOANNE HOEPER Chief Trial Attorney
21			MARGARITA GUTIERREZ, ROSE-ELLEN HEINZ,
22			CURTIS CHRISTY-CIRILLO, Deputy City Attorneys
23			Minas
24			MARGARITA GUTIERREZ
25			Deputy City Attorney Attorneys for Plaintiff, People of the State
26		y y	of California
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EXHIBIT A

ARCO No.	Address	City	County	State
00059	2401 TAPO ST	SIMI VALLEY	VENTURA	CA
00073	6300 SLAUSON	CULVER CITY	LOS ANGELES	CA
00081	4015 W. EL SEGUNDO BLVD	HAWTHORNE	LOS ANGELES	CA
00108	3775 S. VERMONT ST	LOS ANGELES	LOS ANGELES	CA
00194	5884 WASHINGTON BLVD	CULVER CITY	LOS ANGELES	CA
00371	2698 MT VERNON	BAKERSFIELD	KERN	CA
00414	3000 SHATTUCK AVE	BERKELEY	ALAMEDA	CA
00495	10550 SO DEANZA BLVD	CUPERTINO	SANTA CLARA	CA
00566	1175 FELL ST	SAN FRANCISCO	SAN FRANCISCO	CA
00610	4192 N. FRESNO ST	FRESNO	FRESNO	CA
00704	4860 S. HUNTINGTON DR	LOS ANGELES	LOS ANGELES	CA
00763	376 CASTRO ST	SAN FRANCISCO	SAN FRANCISCO	CA
01033	22661 PACIFIC CST HWY	MALIBU	LOS ANGELES	CA
01091	1004 W. EL SEGUNDO BLVD	GARDENA	LOS ANGELES	CA
01109	8904 LONG BEACH BLVD	SOUTH GATE	LOS ANGELES	CA
01276	300 N. AZUSA AVE	WEST COVINA	LOS ANGELES	CA
01341	8505 GRAVENSTEIN HWY	COTATI	SONOMA	CA
01583	7990 KNOTT AVE	BUENA PARK	ORANGE	CA
01661	9151 S. PAINTER AVE	WHITTIER	LOS ANGELES	CA
01677	404 E CHASE AVE	EL CAJON	SAN DIEGO	CA
01682	7667 E. SLAUSON AVE	CITY OF COMMERCE	LOS ANGELES	CA
01758	1540 PLAZA BLVD	NATIONAL CITY	SAN DIEGO	CA
01762	15900 PARAMOUNT BLVD	PARAMOUNT	LOS ANGELES	CA
01785	985 TURQUISE STREET	SAN DIEGO	SAN DIEGO	CA
01786	2829 N. BROADWAY	LOS ANGELES	LOS ANGELES	CA

EXHIBIT A

ARCO No.	Address	City	County	State
02068	2100 BROADWAY	SACRAMENTO	SACRAMENTO	CA
02079	707 "E" STREET	MARYSVILLE	YUBA	CA
02123	8500 ELK GROVE BLVD	ELK GROVE	SACRAMENTO	CA
02126	4400 SUNRISE	FAIR OAKS	SACRAMENTO	CA
02146	1722 MERIDIAN AVE	SAN JOSE	SANTA CLARA	CA
02177	6698 MACK RD	SACRAMENTO	SACRAMENTO	CA
03018	11958 RAMONA BLVD	EL MONTE	LOS ANGELES	CA
03031	810 W. SEPULVEDA BLVD	HARBOR CITY	LOS ANGELES	CA
03077	2124 E. HARBOR BLVD	VENTURA	VENTURA	CA
04968	3501 FAIR OAKS BLVD	SACRAMENTO	SACRAMENTO	CA
04977	2770 CASTRO VALLEY	CASTRO	ALAMEDA	CA
05027	3834 E. THIRD ST	LOS ANGELES	LOS ANGELES	CA
05157	7370 LA TIJERA BLVD.	LOS ANGELES	LOS ANGELES	CA
05220	10201 E. ARTESIA BLVD	BELLFLOWER	LOS ANGELES	CA
05265	2353 E. PALMDALE BLVD	PALMDALE	LOS ANGELES	CA
05308	15025 DOWNEY AVE	PARAMOUNT	LOS ANGELES	CA
05330	2896 ZINFANDEL DRIVE	RANCHO CORDOVA	SACRAMENTO	CA
05343	10159 ALONDRA BLVD	BELLFLOWER	LOS ANGELES	CA
05385	104 N. SAN JACINTO	HEMET	RIVERSIDE	CA
05387	20200 HESPERIAN BLVD	HAYWARD	ALAMEDA	CA
05424	8024 ELDER CREEK RD	SACRAMENTO	SACRAMENTO	CA
06041	7249 VILLAGE PARKWAY	DUBLIN	ALAMEDA	CA
06091	1697 S. WOLFE RD	SUNNYVALE	SANTA CLARA	CA
06132	2445 E. BALL RD	ANAHEIM	ORANGE	CA
06136	1200 GENEVA AVE	SAN FRANCISCO	SAN FRANCISCO	CA

EXHIBIT A

ARCO No.	Address	City	County	State
06148	5131 SHATTUCK AVE	OAKLAND	ALAMEDA	CA
06160	13361 HARBOR BLVD	GARDEN GROVE	ORANGE	CA
06169	1411 E. DEL AMO BLVD	CARSON	LOS ANGELES	CA
06182	10121 N. FOOTHILL BLVD	CUPERTINO	SANTA CLARA	CA
06223	4610 PEARL AVE	SAN JOSE	SANTA CLARA	CA
06225	4745 WATT AVE	NORTH HIGHLANDS	SACRAMENTO	CA
06228	2747 PINOLE VALLEY RD	PINOLE	CONTRA COSTA	CA
09558	103 E. ALOSTA	GLENDORA	LOS ANGELES	CA
09591	8863 LAKEWOOD	DOWNEY	LOS ANGELES	CA