

STATE OF WISCONSIN

CIRCUIT COURT

DANE COUNTY

WISCONSIN DEPARTMENT OF
AGRICULTURE, TRADE AND
CONSUMER PROTECTION,

Plaintiff,

v.

Case Nos. 2016-CX-13 and 13A

FAROOQ SHAHZAD and
CAPITOL PETROLEUM LLC,

Defendants.

CONSENT JUDGMENT

Pursuant to the stipulation of the parties, the Court enters the following
Consent Judgment:

DECLARATION

On July 14, 2017, the Court entered a Decision and Order granting partial summary judgment on liability against the defendants, concluding that the defendants are liable for having violated Wis. Stat. § 100.182(3) in connection with their marketing of synthetic cannabinoid-containing products, commonly-known as “spice” or “K2,” at their retail store locations in Madison, Wisconsin. On the basis of that judgment and the parties’ subsequent agreement, as evidenced by the Stipulation that was filed in this Court, the Court hereby finds the defendants civilly liable for 16,444 violations of Wis. Stat. § 100.182(3).

PERMANENT INJUNCTION

Pursuant to Wis. Stat. § 100.182(5)(a), the defendants shall not market, sell, or provide to anyone, nor assist any other person or business entity in the marketing, sale or provision to anyone of any product containing a synthetic cannabinoid substance, including but not limited to the products commonly known as “spice” and “K2.”

CIVIL FORFEITURES AND MANDATED COURT ASSESSMENTS

Pursuant to Wis. Stat. § 100.26(4), the defendants shall pay \$1,250,000 to the Clerk of the Dane County Circuit Court, and shall be jointly and severally liable for that amount. The total amount shall be payable in two payments, on the following schedule:

1. A \$100,000 payment within 7 days of entry of this Consent Judgment.
2. A \$1,150,000 payment within 90 days of entry of this Consent Judgment.

The defendants’ payments include assessments and court surcharges required by statute. The Clerk shall apportion the defendants’ payments for mandatory assessments and surcharges as follows:

From the initial \$100,000 payment:

- a) a civil forfeiture of \$65,705.59 pursuant to Wis. Stat. § 100.26(4);
- b) a penalty surcharge of \$17,083.45 pursuant to Wis. Stat. § 757.05 (26 percent of forfeiture);
- c) a consumer protection surcharge of \$16,426.40 pursuant to Wis. Stat.

§ 100.261 (25 percent of forfeiture);

d) a jail surcharge of \$657.06 pursuant to Wis. Stat. § 302.46 (1 percent of forfeiture);

e) a crime laboratories and drug enforcement surcharge of \$13 pursuant to Wis. Stat. § 165.755 (\$13 per count in the *Complaint*);

f) a court fee of \$25 pursuant to Wis. Stat. § 814.63;

g) a court support services surcharge of \$68 pursuant to Wis. Stat.

§ 814.85; and

h) a justice information system surcharge of \$21.50 pursuant to Wis. Stat. § 814.86.

From the additional \$1,150,000 payment:

a) a civil forfeiture of \$756,495.06 pursuant to Wis. Stat. § 100.26(4);

b) a penalty surcharge of \$196,688.72 pursuant to Wis. Stat. § 757.05 (26 percent of forfeiture);

c) a consumer protection surcharge of \$189,123.77 pursuant to Wis. Stat. § 100.261 (25 percent of forfeiture);

d) a jail surcharge of \$7,564.95 pursuant to Wis. Stat. § 302.46 (1 percent of forfeiture);

e) a crime laboratories and drug enforcement surcharge of \$13 pursuant to Wis. Stat. § 165.755 (\$13 per count in the *Complaint*);

f) a court fee of \$25 pursuant to Wis. Stat. § 814.63;

g) a court support services surcharge of \$68 pursuant to Wis. Stat.

§ 814.85; and

h) a justice information system surcharge of \$21.50 pursuant to Wis. Stat. § 814.86.

COSTS OF INVESTIGATION AND PROSECUTION

Pursuant to Wis. Stat. § 100.263, the defendants shall pay the sum of \$33,569 within 30 days of the date of entry of this Consent Judgment to the Wisconsin Department of Justice to reimburse the State of Wisconsin for its costs of investigation and prosecution of this action.

WAIVER OF APPEAL

Pursuant to the Stipulation filed in this Court, upon entry of this Consent Judgment the defendants waive their rights to appeal any and all decisions and orders of this Court in this action, including the Decision and Order granting the plaintiff partial summary judgment, up to and including this Consent Judgment.

NO EFFECT ON OTHER LEGAL OBLIGATIONS

Nothing in this Consent Judgment shall be construed to apply to, or affect, the defendants' obligations to comply with all state and federal laws, regulations, or rules, or as granting the defendants permission to engage in any acts or practices prohibited by such laws, regulations, or rules.

RELIANCE UPON FINANCIAL DISCLOSURES

The plaintiff has stipulated to the entry of this Consent Judgment, in part, on the basis of financial disclosures provided to the Department of Justice in confidence by the defendants. If any of the material representations in those

disclosures are found to be materially incorrect, the plaintiff may move the Court for supplemental remedies, including but not necessarily limited to additional forfeitures for the defendants' conduct as alleged in the *Complaint*.

**CONTINUING JURISDICTION
TO ENFORCE THIS CONSENT JUDGMENT**

Jurisdiction is retained by the Court for the purpose of enabling any party to request enforcement of the terms of this Consent Judgment as permitted by law.

IT IS SO ORDERED.

At Madison, this 21st day of December, 2017.

BY THE COURT:

Valerie L. Bailey-Rihn

HON. VALERIE BAILEY-RIHN
Circuit Court Judge, Branch 3

