



City Attorney Dennis Herrera News Release

For Immediate Release:
January 30, 2014
Contact: Gabriel Zitrin
(415) 554-4653

Illegal gambling café to close, as gambling software company ends business statewide

City Attorney Dennis Herrera negotiates lawsuit settlement that will end operations at “café” that had become magnet for criminal activity

SAN FRANCISCO (Jan. 30, 2014)—City Attorney Dennis Herrera today settled his lawsuit against the proprietors and landlords of Net Stop Business Center, an internet café whose alleged gambling activities corresponded with a massive increase in police calls to its Excelsior location, and Figure 8 Technologies Inc., the software company that supplied the gambling software to Net Stop.

Under the terms of an injunction filed in San Francisco Superior Court this morning, Net Stop’s owners agreed to close its doors within the next 60 days and refrain from operating a similar establishment in San Francisco for five years.

Herrera also announced that Figure 8 has agreed to a court order to cease providing, supporting or maintaining gambling software anywhere in the state of California for five years. Figure 8 has also agreed to pay the City \$25,000, and to deactivate its software at all California establishments where it is currently in use.

“We were able to negotiate settlements and tough injunctions against both Net Stop and Figure 8 that abate a neighborhood nuisance in the Excelsior, strike a blow against the criminal activity that has come with it, and will even curb illegal gambling statewide,” said Herrera. “We will move aggressively to protect neighborhoods from anyone who isn’t following the law. I’m grateful to Chief Suhr and the San Francisco Police Department for their efforts to combat the problems at Net Stop, and for building a body of evidence that enabled us to file a strong case. I’m also thankful to Supervisor John Avalos for his leadership and responsiveness to the community.”

[MORE]

“This is a big win for Excelsior residents,” said Avalos, whose District includes the Net Stop location at Mission Street and Excelsior Avenue. “When this establishment closes, people are going to feel safer on the streets and have even greater pride in the neighborhood.”

Herrera’s original lawsuit, filed on Nov. 7, 2013, alleged that Net Stop had violated state and local law by maintaining computerized slot machine games that allow customers to purchase electronic “points” and then redeem their winnings for cash. On December 5, 2013, Herrera amended the complaint to include Figure 8 as a defendant.

The opening of Net Stop corresponded with the beginning of a dramatic increase in criminal activity in the area, according to Herrera’s complaint. In the year prior to its opening, from November 2011 to October 2012, Net Stop’s location was the subject of only two calls for service to the San Francisco Police Department. But in the first year Net Stop was open for business, from November 2012 to October 2013, SFPD responded to Net Stop’s location on no fewer than 202 occasions.

The civil suit details the public nuisance that is created when an illegal gambling operation takes over a neighborhood, reducing the ability of neighbors to feel safe and causing an enormous and unnecessary drain on police resources.

The case is: *City and County of San Francisco and People of the State of California v. Thomas Lacey et al*, San Francisco Superior Court Case No. 535314, filed Nov. 7, 2013.

#

1 DENNIS J. HERRERA, State Bar #139669
City Attorney
2 YVONNE R. MERE, State Bar #173594
Neighborhood and Resident Safety Division
3 JENNIFER E. CHOI, State Bar #184058
JERRY THREET, State Bar #205983
4 Deputy City Attorneys
Fox Plaza
5 1390 Market Street, Sixth Floor
San Francisco, California 94102-5408
6 Telephone: (415) 554-3914
Facsimile: (415) 437-4644

7 Attorneys for Plaintiffs
8 CITY AND COUNTY OF SAN FRANCISCO AND
PEOPLE OF THE STATE OF CALIFORNIA

9 SUPERIOR COURT OF THE STATE OF CALIFORNIA
10 COUNTY OF SAN FRANCISCO
11 UNLIMITED JURISDICTION

12 CITY AND COUNTY OF SAN
13 FRANCISCO, a Municipal Corporation, and
the PEOPLE OF THE STATE OF
14 CALIFORNIA, by and through Dennis J.
Herrera, City Attorney for the City and County
15 of San Francisco,

16 Plaintiffs,

17 vs.

18 THOMAS LACEY, an individual and DBA
NET STOP BUSINESS CENTER, LACEY
19 TECHNOLOGIES, INC., a North Carolina
Corporation, EMILY T. FARRAH, as Trustee
20 of the FARRAH FAMILY TRUST, JOSEPH
A. FARRAH, as Trustee of the FARRAH
21 FAMILY TRUST and as Trustee of the
JOSEPH FARRAH FAMILY TRUST,
22 NICHOLAS J. FARRAH, as Trustee of the
JOSEPH FARRAH FAMILY TRUST,
23 MICHAEL R. FARRAH, SR., an individual,
STANLEY G. BEAINY, as Trustee of the
24 EDWARD G. FARRAH TRUST F/B/O
DEAN FARRAH, DATED JUNE 15, 1989,
25 GIBRAN FARRAH, as Trustee of the
GIBRAN FARRAH REVOCABLE TRUST
26 UA DATED AUGUST 26, 1997, DOE 1
through DOE 50,

27 Defendants.
28

ENDORSED
FILED

San Francisco County Superior Court

JAN 30 2014

CLERK OF THE COURT

BY: JACQUELINE ALAMEDA
Deputy Clerk

Case No. CGC-13-535314

STIPULATED INJUNCTION AND JUDGMENT
AGAINST DEFENDANT THOMAS LACEY, AN
INDIVIDUAL AND DBA NET STOP BUSINESS
CENTER

Date Action Filed: November 7, 2013
Trial Date: Not Yet Set

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

RECITALS

(A) This Stipulated Injunction and Judgment (hereafter "INJUNCTION," or "ORDER") is entered pursuant to the stipulation of Plaintiffs CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, and the PEOPLE OF THE STATE OF CALIFORNIA ("PLAINTIFFS"), herein and Defendant THOMAS LACEY, an individual and DBA Net Stop Business Center ("LACEY").

(B) PLAINTIFFS seek declaratory and injunctive relief against LACEY, as well as, civil penalties, and attorneys fees, asserting that LACEY has violated state laws prohibiting slot machines, public nuisance and unfair competition, the red light abatement act and a San Francisco municipal anti-gambling ordinance. LACEY denies the validity of each and all of the claims against him and unequivocally denies that he violated any of these statutes and/or ordinances. He further maintains that the sweepstakes software system he has used is entirely lawful.

(C) PLAINTIFFS filed their Complaint herein on November 7, 2013, and filed an Amended Complaint on December 5, 2013.

(D) This INJUNCTION was presented before the above-captioned Court, the Honorable _____, presiding. PLAINTIFFS were represented by their attorney, DENNIS J. HERRERA, City Attorney, appearing through JENNIFER E. CHOI and JERRY THREET, Deputy City Attorneys. LACEY was represented by JOHN H. WESTON, of Weston, Garrou & Mooney.

(E) PLAINTIFFS and LACEY ("PARTIES") consent to entry of this INJUNCTION as an Order of the Court without a noticed motion, hearing, or trial. The PARTIES having stipulated to the provisions set forth herein, the Court having reviewed the provisions, the PARTIES having agreed to the issuance of this INJUNCTION, and good cause appearing therefore,

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED:

I. JURISDICTION AND AUTHORITY

This Court has jurisdiction over the subject matter of this lawsuit as set forth in the First Amended Complaint ("AMENDED COMPLAINT") and over the PARTIES to this ORDER. The Court issues this ORDER pursuant to its authority under Civil Code sections 3480 and 3494, Code of Civil Procedure section 731, Penal Code sections 11225-11235, and Business and Professions Code

1 sections 17200, *et seq.* The Court expressly retains jurisdiction to modify this ORDER as the ends of
2 justice may require. The Court may hear and decide issues regarding the scope and effect of the
3 injunctive provisions, herein. Any party to this Order may apply to the Court at any time, after making
4 a reasonable effort to meet and confer with the other PARTIES, for further orders and directions as
5 may be necessary or appropriate for the construction, application, modification or carrying out of the
6 injunctive provisions, herein. The Court can modify any of the injunctive provisions hereof and take
7 such further action as may be necessary or appropriate to carry into effect the injunctive provisions
8 hereof, and for the punishment of violations of same, if any.

9 PLAINTIFFS have the authority under California Law to maintain this action for the protection
10 of the People of the State of California and the citizens of the City and County of San Francisco
11 concerning the conduct alleged in the AMENDED COMPLAINT.

12 **II. APPLICATION**

13 The provisions of this INJUNCTION are applicable to LACEY, and with respect to 4458
14 Mission Street, San Francisco, California ("4458 Mission Street"), to LACEY'S partners, agents,
15 servants, employees, representatives, successors, assigns, lessees, or any other persons directly or
16 indirectly acting in concert or participating with LACEY in the management or operation of 4458
17 MISSION STREET. The provisions shall also apply to any new corporation, limited liability
18 company, partnership, or other business entity created by LACEY that operates a business involving
19 gambling and/or sweepstakes gambling.

20 **III. LIABILITY AND ATTORNEYS FEES**

21 1. **No Admission of Liability.** This INJUNCTION is not, and shall not be construed as, an
22 admission of liability, fault, or wrongdoing of any kind by any party.

23 2. **No "Prevailing Party."** Except as otherwise provided in this INJUNCTION, the
24 PARTIES, and each of them, shall bear their own attorneys' fees and costs, and no party shall be
25 deemed to be a "prevailing party."

26 **IV. EFFECTIVE DATE AND TERM OF INJUNCTION.**

27 The effective date of this INJUNCTION, except as otherwise noted, shall be 60 days after its
28 entry by the Court ("EFFECTIVE DATE").

1 The terms of this INJUNCTION shall expire sixty (60) months after the EFFECTIVE DATE
2 of this INJUNCTION ("TERM OF INJUNCTION"), provided that its terms have been complied with
3 during this period. If the Court finds that LACEY has failed to comply with the terms of this
4 INJUNCTION, then the TERM OF INJUNCTION may be extended as the Court determines is
5 necessary to effectuate the terms of this INJUNCTION.

6 **V. INJUNCTIVE PROVISIONS - PROHIBITIONS AND CLOSURE OF NET STOP
BUSINESS CENTER**

7 IT IS ORDERED that, except as provided below in the section entitled, "Exceptions," upon the
8 EFFECTIVE DATE of this INJUNCTION and for the TERM OF THE INJUNCTION specified
9 herein, LACEY is hereby enjoined and restrained from engaging in, committing, or performing,
10 directly or indirectly, any and all of the following acts:

11 1. continuing to operate at Net Stop Business Center, located at 4458 Mission Street, San
12 Francisco, California 94112 ("NET STOP"), any business involving any type of sweepstakes
13 promotion for the duration of the TERM OF THE INJUNCTION specified herein below;

14 2. operating any business at 4458 MISSION STREET in violation of Penal Code section
15 330 *et seq.*, San Francisco Municipal Police Code section 325, or any other state or local law
16 prohibiting illegal gambling; and

17 3. operating NET STOP, and any other similar business within California, in violation of
18 Business and Professions Code Sections 17200, *et seq.*

19 IT IS FURTHER ORDERED that not later than the EFFECTIVE DATE of this ORDER,
20 LACEY shall:

21 4. cease operation of, and close, NET STOP for the duration of the TERM OF THE
22 INJUNCTION; and

23 5. surrender the lease to 4458 MISSION STREET, San Francisco, California 94112.

24 IT IS FURTHER ORDERED that after the EFFECTIVE DATE, LACEY shall neither:

25 6. open, and/or operate a new business within California, in violation of Penal Code § 330
26 *et seq.*, San Francisco Municipal Police Code § 325, or any other state or local law prohibiting illegal
27 gambling; nor

1 7. transfer or assign the ownership and/or management of NET STOP to a third party.

2 **EXCEPTIONS:** In the event of a final judgment of any California appellate court (state or
3 federal), or of any trial court (state or federal) involving the State Attorney General as a participant
4 (where the term "final" is defined as a judgment from which there lies no further appeal of right or
5 discretionary direct review), determining that the subject FIGURE 8 computer software does not
6 violate the state slot machine statutes, then this Court, on motion of any party, shall issue an order
7 appropriately modifying this INJUNCTION, other than as applied to 4458 MISSION STREET.

8 **VI. ENFORCEMENT**

9 1. PLAINTIFFS may seek enforcement of this ORDER at any time, after making a
10 reasonable effort to meet and confer with LACEY. A violation of any of the provisions of this
11 INJUNCTION constitutes contempt of Court. The terms of this INJUNCTION may be enforced
12 through a contempt proceeding, a motion to enforce, or any other proceeding recognized by the Court
13 for enforcement of an injunction., In the event that the Court determines after hearing that LACEY
14 violated any of the terms of this ORDER, LACEY shall be liable for civil penalties of no less than
15 \$2,500 and no more than \$6,000 for each violation of this ORDER, pursuant to Business and
16 Professions Code Section 17207.

17 2. Should LACEY be found to have violated any portion of this INJUNCTION,
18 PLAINTIFFS shall recover attorney's fees and costs incurred in enforcing this INJUNCTION and/or
19 monitoring LACEY's compliance herewith.

20 3. Any fines, penalties, or other monetary relief specified in this ORDER shall be in
21 addition to any other relief or sanctions that the Court may order as a matter of law or equity in
22 connection with any finding of non-compliance with this ORDER. The Court expressly reserves
23 jurisdiction to take such further action as may be necessary or appropriate to carry into effect the
24 provisions of this ORDER.

25 **VII. NO WAIVER OF RIGHTS TO ENFORCE**

26 The failure of PLAINTIFFS to enforce any provision of this INJUNCTION shall in no way be
27 deemed a waiver of such provision or in any way affect the validity of this INJUNCTION. The failure
28 of PLAINTIFFS to enforce any such provision shall not preclude PLAINTIFFS from later enforcing

1 the same or any other provision of this INJUNCTION. No oral advice, guidance, suggestion, or
2 comments by PLAINTIFFS' employees or officials regarding matters covered by this INJUNCTION
3 shall be construed to relieve LACEY of his obligations.

4 **VIII. FINAL JUDGMENT**

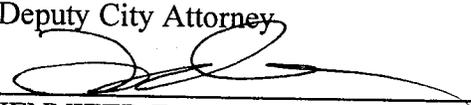
5 This document constitutes the Final Judgment in this action. The Court shall retain
6 jurisdiction, pursuant to the terms above, to monitor and enforce compliance with the injunctive
7 portions of this INJUNCTION. The entry of this Judgment shall not limit LACEY's liability for any
8 post-judgment conduct which may be punishable independent of the contempt remedies provided
9 herein.

10 The injunctive claims shall be dismissed 63 months after the entry of the INJUNCTION.

11 **IT IS SO STIPULATED:**

12 Dated: 1/28/14^{sc}

13 DENNIS J. HERRERA
14 City Attorney
15 YVONNE R. MERE
16 JENNIFER E. CHOI
17 JERRY THREET
18 Deputy City Attorney

19 By: 
20 JENNIFER E. CHOI
21 Attorneys for PLAINTIFFS
22 CITY AND COUNTY OF SAN FRANCISCO AND
23 PEOPLE OF THE STATE OF CALIFORNIA

24 Dated:

25 _____
26 DEFENDANT THOMAS LACEY, and individual and
27 DBA NET STOP BUSINESS CENTER

28 Dated: 1/24/14

29 _____
30 JOHN H. WESTON
31 Weston, Garrou & Mooney
32 Attorney for DEFENDANT LACEY TECHNOLOGIES,
33 INC

34 **IT IS SO ORDERED:**

35 Dated:

36 _____
37 JUDGE OF THE SUPERIOR COURT

38 CCSF v. Thomas Lacey, et al., S.F. Superior Court Case No. CGC-13-535314

1 the same or any other provision of this INJUNCTION. No oral advice, guidance, suggestion, or
2 comments by PLAINTIFFS' employees or officials regarding matters covered by this INJUNCTION
3 shall be construed to relieve LACEY of his obligations.

4 **VIII. FINAL JUDGMENT**

5 This document constitutes the Final Judgment in this action. The Court shall retain
6 jurisdiction, pursuant to the terms above, to monitor and enforce compliance with the injunctive
7 portions of this INJUNCTION. The entry of this Judgment shall not limit LACEY's liability for any
8 post-judgment conduct which may be punishable independent of the contempt remedies provided
9 herein.

10 The injunctive claims shall be dismissed 63 months after the entry of the INJUNCTION.

11 **IT IS SO STIPULATED:**

12 Dated:

DENNIS J. HERRERA
City Attorney
YVONNE R. MERE
JENNIFER E. CHOI
JERRY THREET
Deputy City Attorney

17 By: _____

JENNIFER E. CHOI
Attorneys for PLAINTIFFS
CITY AND COUNTY OF SAN FRANCISCO AND
PEOPLE OF THE STATE OF CALIFORNIA

19 Dated: 1/29/14

Thomas Lacey (Via Facsimile)
DEFENDANT THOMAS LACEY, and individual and
DBA NET STOP BUSINESS CENTER

22 Dated:

JOHN H. WESTON
Weston, Garrou & Mooney
Attorney for DEFENDANT LACEY TECHNOLOGIES,
INC

26 **IT IS SO ORDERED:**

27 Dated: JAN 30 2014

ERNEST H GOLDSMITH

JUDGE OF THE SUPERIOR COURT

28 CCSF v. Thomas Lacey, et al., S.F. Superior Court Case No. CGC-13-535314

COPY

1 DENNIS J. HERRERA, State Bar #139669
City Attorney
2 YVONNE R. MERE, State Bar #173594
Neighborhood and Resident Safety Division
3 JENNIFER E. CHOI, State Bar #184058
JERRY THREET, State Bar #205983
4 Deputy City Attorneys
1390 Market Street, Sixth Floor
5 San Francisco, California 94102-5408
Telephone: (415) 554-3914
6 Facsimile: (415) 437-4644

7 Attorneys for Plaintiffs
8 CITY AND COUNTY OF SAN FRANCISCO AND
PEOPLE OF THE STATE OF CALIFORNIA

9 SUPERIOR COURT OF THE STATE OF CALIFORNIA

10 COUNTY OF SAN FRANCISCO

11 UNLIMITED JURISDICTION

12 CITY AND COUNTY OF SAN
FRANCISCO, a Municipal Corporation, and
13 the PEOPLE OF THE STATE OF
CALIFORNIA, by and through Dennis J.
14 Herrera, City Attorney for the City and County
of San Francisco,

15 Plaintiffs,

16 vs.

17 THOMAS LACEY, an individual and DBA
18 NET STOP BUSINESS CENTER, FIGURE 8
TECHNOLOGIES, INC., a North Carolina
19 Corporation, EMILY T. FARRAH, as Trustee
of the FARRAH FAMILY TRUST, JOSEPH
20 A. FARRAH, as Trustee of the FARRAH
FAMILY TRUST and as Trustee of the
21 JOSEPH FARRAH FAMILY TRUST,
NICHOLAS J. FARRAH, as Trustee of the
22 JOSEPH FARRAH FAMILY TRUST,
MICHAEL R. FARRAH, SR., an individual,
23 STANLEY G. BEAINY, as Trustee of the
EDWARD G. FARRAH TRUST F/B/O
24 DEAN FARRAH, DATED JUNE 15, 1989,
GIBRAN FARRAH, as Trustee of the
25 GIBRAN FARRAH REVOCABLE TRUST
UA DATED AUGUST 26, 1997, DOE 1
26 through DOE 50,

27 Defendants.

Case No. CGC-13-535314

STIPULATED INJUNCTION AND JUDGMENT
BETWEEN ALL PLAINTIFFS AND
DEFENDANT FIGURE 8 TECHNOLOGIES, INC.

Date Action Filed: November 7, 2013
Trial Date: Not Yet Set

28 RECITALS

1 (A) This Stipulated Injunction and Judgment (hereafter "INJUNCTION," or "ORDER") is
2 entered pursuant to the stipulation of Plaintiffs CITY AND COUNTY OF SAN FRANCISCO, a
3 municipal corporation, and the PEOPLE OF THE STATE OF CALIFORNIA ("PLAINTIFFS") herein
4 and Defendant FIGURE 8 TECHNOLOGIES, INC. ("FIGURE 8"), a corporation duly organized and
5 existing under the laws of the state of North Carolina.

6 (B) PLAINTIFFS seek declaratory and injunctive relief against FIGURE 8, as well as civil
7 penalties, and attorneys fees, asserting that FIGURE 8 has violated state laws prohibiting slot
8 machines, public nuisance and unfair competition, as well as the state's red light abatement act and a
9 San Francisco municipal anti-gambling ordinance. FIGURE 8 denies the validity of each and all of
10 the claims against it herein and unequivocally denies that either it or its software has violated any of
11 these statutes and/or ordinances and asserts that its sweepstakes software system is entirely lawful.

12 (C) PLAINTIFFS filed their Complaint herein on November 7, 2013, and filed a First
13 Amended Complaint on December 5, 2013. But for this INJUNCTION, FIGURE 8 would have
14 moved to strike certain portions of the Amended Complaint and, thereafter, assert multiple defenses to
15 any and all remaining allegations.

16 (D) This INJUNCTION was presented before the above-captioned Court, the Honorable
17 _____, presiding. PLAINTIFFS were represented by their attorney, DENNIS J.
18 HERRERA, City Attorney, appearing through JENNIFER E. CHOI and JERRY THREET, Deputy
19 City Attorneys. FIGURE 8 was represented by JOHN H. WESTON, of Weston, Garrou & Mooney.

20 (E) PLAINTIFFS and FIGURE 8 ("PARTIES") consent to entry of this INJUNCTION as an
21 Order of the Court without a noticed motion, hearing, or trial. The PARTIES having stipulated to the
22 provisions set forth herein, the Court having reviewed the provisions, the PARTIES having agreed to
23 the issuance of this INJUNCTION, and good cause appearing therefore,

24 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED:

25 **I. JURISDICTION AND AUTHORITY**

26 This Court has jurisdiction over the subject matter of this lawsuit as set forth in the First
27 Amended Complaint ("AMENDED COMPLAINT") and over the PARTIES to this ORDER. The
28 Court issues this ORDER pursuant to its authority under Civil Code sections 3480 and 3494, Code of

1 Civil Procedure section 731, Penal Code sections 11225-11235, and Business and Professions Code
2 sections 17200, *et seq.* The Court expressly retains jurisdiction to modify this ORDER as the ends of
3 justice may require. The Court may hear and decide issues regarding the scope and effect of the
4 injunctive provisions, herein. Any party to this ORDER may apply to the Court at any time, after
5 making a reasonable effort to meet and confer with the other parties, for further orders and directions
6 as may be necessary or appropriate for the construction, application, modification or carrying out of
7 the injunctive provisions, herein. In the event of any violations of this INJUNCTION, the Court can
8 modify any of the injunctive provisions hereof and take such further action as may be necessary or
9 appropriate to carry into effect the injunctive provisions hereof, and for the punishment of violations
10 of same, if any.

11 PLAINTIFFS have the authority under California Law to maintain this action for the protection
12 of the People of the State of California and the citizens of the City and County of San Francisco
13 concerning the conduct alleged in the AMENDED COMPLAINT.

14 **II. APPLICATION**

15 The provisions of this INJUNCTION are applicable to FIGURE 8 as well as its partners,
16 principals, officers, agents, servants, employees, representatives, successors, assigns, lessees, or any
17 other persons directly or indirectly acting in concert, or participating with FIGURE 8, or any of
18 FIGURE 8's partners, principals, officers, agents, servants, employees, representatives, successors,
19 assigns, and lessees. The provisions shall also apply to any new corporation, limited liability
20 company, partnership, or other business entity created by any of the current principals and officers of
21 FIGURE 8 that provides similar products and services as FIGURE 8.

22 **III. LIABILITY AND ATTORNEYS FEES**

23 1. **No Admission of Liability.** This INJUNCTION is not, and shall not be construed as, an
24 admission of liability, fault, or wrongdoing of any kind by any party.

25 2. **No "Prevailing Party."** Except as otherwise provided in this INJUNCTION, the
26 PARTIES, and each of them, agree to bear their own attorneys' fees and costs, and neither
27 PLAINTIFFS nor FIGURE 8 shall be deemed to be a "prevailing party."
28

1 **IV. EFFECTIVE DATE AND TERM OF INJUNCTION**

2 The effective date of this INJUNCTION, except as otherwise noted, shall be 60 days after its
3 entry by the Court ("EFFECTIVE DATE").

4 The terms of this INJUNCTION shall expire sixty (60) months after the EFFECTIVE DATE
5 of this INJUNCTION ("TERM OF INJUNCTION"), provided that its terms have been complied with
6 during this period. If the Court finds that FIGURE 8 has failed to comply with the terms of this
7 INJUNCTION, then the TERM OF INJUNCTION may be extended as the Court determines is
8 necessary to effectuate the terms of this INJUNCTION.

9 **V. INJUNCTIVE PROVISIONS**

10 IT IS ORDERED that, except as provided below in the section entitled, "Exceptions," upon
11 the EFFECTIVE DATE of this INJUNCTION, and for the TERM OF INJUNCTION specified herein,
12 FIGURE 8 is hereby enjoined and restrained from engaging in, committing, or performing, directly or
13 indirectly, any and all of the following acts:

14 1. providing, leasing, installing, supporting or maintaining any computing hardware or
15 software at Net Stop Business Center, located at 4458 Mission Street, San Francisco, California 94112
16 (the "Business");

17 2. providing, leasing, installing, supporting or maintaining any computing hardware or
18 software anywhere within California unless 1) the California Gambling Control Commission has
19 determined that said computer software and/or hardware does not constitute illegal gambling, 2) the
20 computer software and/or hardware complies with the regulations promulgated by the National Indian
21 Gaming Commission and is lawfully provided to an Indian Casino lawfully operating under the
22 auspices of the Indian Gaming Regulatory Act, or 3) the computer software and/or hardware and its
23 use are licensed and regulated by the State of California and its use at the particular site is otherwise
24 lawful.

25 IT IS FURTHER ORDERED that FIGURE 8 shall,

26 3. on or before the EFFECTIVE DATE, remove or deactivate any computing software
27 provided, leased, installed, supported, manufactured, designed, or maintained by FIGURE 8 at any
28

1 location within California and remove any computing hardware owned by FIGURE 8 at any location
2 within California;

3 4. before the EFFECTIVE DATE of the INJUNCTION, provide to PLAINTIFFS, subject
4 to the provisions regarding Disclosure in Part VIII of this ORDER a list, which FIGURE 8 contends is
5 confidential, of any and all locations and businesses within California for which FIGURE 8 has
6 provided, leased, installed, supported, manufactured, designed, or maintained any computing hardware
7 or software; and

8 5. within 10 days of the EFFECTIVE DATE, provide to PLAINTIFFS, subject to the
9 provisions regarding Disclosure in Part VIII of this ORDER, a statement, signed under penalty of
10 perjury by Garrett Blackwelder, which FIGURE 8 contends is confidential, listing any and all
11 locations and businesses within California where FIGURE 8 has removed any computing hardware or
12 software since the entry of this ORDER.

13 **EXCEPTIONS:** In the event of a final judgment of any California appellate court (state or
14 federal), or of any trial court (state or federal) involving the State Attorney General as a participant
15 (where the term "final" is defined as a judgment from which there lies no further appeal of right or
16 discretionary direct review), determining that the subject FIGURE 8 computer software does not
17 violate the state slot machine statutes, then this Court, on motion of any party, shall issue an order
18 appropriately modifying this INJUNCTION.

19 VI. ENFORCEMENT

20 1. PLAINTIFFS may seek enforcement of this ORDER at any time, after making a
21 reasonable effort to meet and confer with FIGURE 8. A violation of any of the provisions of this
22 INJUNCTION constitutes contempt of Court. The terms of this INJUNCTION may be enforced
23 through a contempt proceeding, a motion to enforce, or any other proceeding recognized by the Court
24 for enforcement of an injunction. In the event that the Court determines after hearing that FIGURE 8
25 violated any of the terms of this ORDER, FIGURE 8 shall be liable for civil penalties of no less than
26 \$2,500 and no more than \$6,000 for each violation of this ORDER, pursuant to Business and
27 Professions Code Section 17207.

1 2. Should FIGURE 8 be found to have violated any portion of this INJUNCTION,
2 PLAINTIFFS shall recover attorney's fees and costs incurred in enforcing this INJUNCTION and/or
3 monitoring FIGURE 8's compliance herewith.

4 3. Any fines, penalties, or other monetary relief specified in this ORDER shall be in
5 addition to any other relief or sanctions that the Court may order as a matter of law or equity in
6 connection with any finding of non-compliance with this ORDER. The Court expressly reserves
7 jurisdiction to take such further action as may be necessary or appropriate to carry into effect the
8 provisions of this ORDER.

9 **VII. NO WAIVER OF RIGHTS TO ENFORCE**

10 The failure of PLAINTIFFS to enforce any provision of this INJUNCTION shall in no way be
11 deemed a waiver of such provision or in any way affect the validity of this INJUNCTION. The failure
12 of PLAINTIFFS to enforce any such provision shall not preclude PLAINTIFFS from later enforcing
13 the same or any other provision of this INJUNCTION. No oral advice, guidance, suggestion, or
14 comments by PLAINTIFFS' employees or officials regarding matters covered by this INJUNCTION
15 shall be construed to relieve FIGURE 8 of their obligations.

16 **VIII. DISCLOSURE**

17 Should the City receive a request to produce public records related to this INJUNCTION,
18 PLAINTIFFS agree to promptly inform FIGURE 8 of that request, and to evaluate any claims by
19 FIGURE 8 as to the confidentiality and/or exemption from disclosure of any of those documents prior
20 to deciding whether to disclose them to the requestor. PLAINTIFFS further agree to inform FIGURE
21 8 of their decision whether to disclose documents that FIGURE 8 has claimed are not disclosable,
22 prior to disclosing them and thereafter to defer such disclosure for seven days to allow Figure 8 to seek
23 judicial relief prior to such disclosure.

24 ///
25 ///
26 ///
27 ///
28 ///

1 **IX. FINAL JUDGMENT**

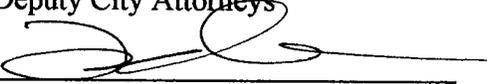
2 This document constitutes the Final Judgment in this action. The Court shall retain
3 jurisdiction, pursuant to the terms above, to monitor and enforce compliance with the injunctive
4 portions of this INJUNCTION. The entry of this Judgment shall not limit FIGURE 8's liability for
5 any post-judgment conduct which may be punishable independent of the contempt remedies provided
6 herein.

7 The injunctive claims shall be dismissed 63 months after the entry of the INJUNCTION.

8 **IT IS SO STIPULATED:**

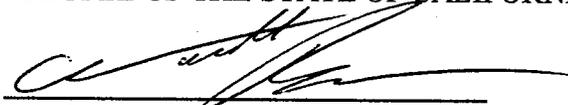
9 Dated: 1/28/14

DENNIS J. HERRERA
City Attorney
YVONNE R. MERE
JENNIFER E. CHOI
JERRY THREET
Deputy City Attorneys

13 By: 

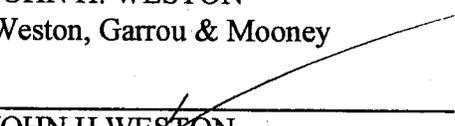
JENNIFER E. CHOI
Attorneys for Plaintiffs
CITY AND COUNTY OF SAN FRANCISCO AND
PEOPLE OF THE STATE OF CALIFORNIA

16 Dated: 1/23/14


GARRETT BLACKWELDER, President
DEFENDANT FIGURE 8 TECHNOLOGIES, INC.

19 Dated: 1/24/14

20 JOHN H. WESTON
Weston, Garrou & Mooney

21 By: 

22 JOHN H. WESTON
Weston, Garrou & Mooney
Attorney for DEFENDANT FIGURE 8
23 TECHNOLOGIES, INC.

24 **IT IS SO ORDERED:**

25 Dated: JAN 30 2014

26 **ERNEST H GOLDSMITH**
JUDGE OF THE SUPERIOR COURT

27 CCSF v. Thomas Lacey, et al., S.F. Superior Court Case No. CGC-13-535314