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Division of Consumer Affairs

By: Sara J. Koste Deputy Attorney General (973) 648-7461

> STATE OF NEW JERSEY DEPARTMENT OF LAW AND PUBLIC SAFETY DIVISION OF CONSUMER AFFAIRS

In the Matter of

Dick's Sporting Goods, Inc. f/d/b/a Field and Stream,

Administrative Action

CONSENT ORDER

Respondent.

WHEREAS this matter having been opened by the New Jersey Division of Consumer Affairs, Office of Consumer Protection ("Division"), as an investigation to ascertain whether violations of the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 to -229 ("CFA") and/or the Rules Concerning Hazardous Products, N.J.A.C. 13:45A-4.1 to -4.3 ("Hazardous Products Regulations") (hereinafter referred to as the "Investigation"), have been or are being committed by Dick's Sporting Goods, Inc. formerly doing business under the tradename Field and Stream, as well as by its owners, officers, directors, managers, employees, representatives and/or agents (collectively, "Respondent"); **WHEREAS** the Division is charged with administering the CFA and Hazardous Products Regulations pursuant to N.J.S.A. 52:17B-120-24 and is represented by the Attorney General in connection with enforcement actions;

WHEREAS Respondent, with a main business address of 345 Court Street, Coraopolis, Pennsylvania 15108, is engaged in the Advertisement, offer for Sale and Sale of Merchandise to Consumers in the State of New Jersey;

WHEREAS in 2023, Dick's Sporting Goods, Inc. sold its intellectual property related to the Field and Stream brand, which included trademarks and website domains (the "IP Sale") and no longer does business or operates under the Field and Stream tradename;

WHEREAS Respondent no longer licenses, operates or otherwise maintains the Field and Stream Website located at www.FieldAndStreamShop.com;

WHEREAS large capacity ammunition magazines ("LCMs"), as defined in N.J.S.A. 2C:39-1(y), are firearm magazines capable of holding more than ten rounds of ammunition. LCMs allow the firearm's possessor to fire multiple shots in a matter of seconds, without pausing to reload;

WHEREAS LCMs have been used in numerous mass shootings, and the use of LCMs is more likely to result in increased fatalities and injuries;

WHEREAS on June 13, 2018, New Jersey Governor Phil Murphy signed into law a bill that prohibited, with limited exceptions, possession of LCMs in the State in order to "protect [] children and families from the reckless dangers of gun violence";

WHEREAS LCMs are Merchandise within the meaning of the CFA, N.J.S.A. 56:8-1(c), as well as "consumer products" within the meaning of the Hazardous Products Regulations, N.J.A.C. 13:45A-4.2;

WHEREAS New Jersey law, specifically N.J.S.A. 2C:39-3(j) provides that the knowing possession of an LCM is a fourth-degree crime;

WHEREAS the Hazardous Products Regulations, specifically N.J.A.C. 13:45A-4.1(b), provide that "it shall be an unconscionable practice for any Person, including any business entity, to Advertise or market to . . . a resident of this State, a consumer product that is illegal to possess or use in this State . . . where the possession or use . . . would subject the Person possessing or using the product to criminal prosecution, without clearly and conspicuously disclosing that the product is illegal to possess or use in this State."

WHEREAS the sanctions contained in the CFA apply to any violation of the Hazardous Products Regulations, N.J.A.C. 13:45A-4.3;

WHEREAS the Division commenced this Investigation as a result of Respondent's online Advertisement and offer for Sale of LCMs to New Jersey residents;

WHEREAS based on the Investigation, the Division, among other things, alleges that Respondent Advertised, offered for Sale, and Sold LCMs to New Jersey Consumers through Respondent's Field and Stream Website in violation of the CFA and the Hazardous Products Regulations (the "Covered Claims");

WHEREAS as of July 9, 2022, Respondent's Field and Stream Website Advertised and offered for Sale Merchandise that included twenty-two ammunition magazines. Based upon the product descriptions, five of the ammunition magazines for Sale were LCMs: (i) Glock G17/G34

17 Round Magazine - 9mm; (ii) Sig Sauer P365 9mm 12-Round Magazine; (iii) Smith & Wesson SD9 16 Round Magazine - 9mm; (iv) Glock G19 15 Round Magazine - 9mm; and (v) Glock G21 13 Round Magazine - .45 ACP;

WHEREAS on July 9, 2022, using an undercover identity, an Investigator from the Division used Respondent's Field and Stream Website to purchase four LCMs from the Respondent: (i) two Glock G21 13-Round Magazines - .45 ACP, SKU 14162999, and (ii) two Sig Sauer P365 9mm 12-Round Magazines, SKU 19897645. Respondent shipped these LCMs from 1314 Conklin Rd Ste B, Conklin, New York 13748 ("Conklin Distribution Center") to an undercover New Jersey address;

WHEREAS on August 10, 2022, using an undercover identity, an Investigator from the Division used Respondent's Field and Stream Website to purchase two LCMs, specifically two Glock G21 13-Round Magazines - .45 ACP SKU 14162999, from the Respondent. Respondent shipped these LCMs from the Conklin Distribution Center to an undercover New Jersey address;

WHEREAS Respondent represents that it had policies and procedures in place to prevent the shipment of LCMs to Consumers in the State, however, the LCMs purchased by the Investigator for the Division were not restricted from being shipped to Consumers in New Jersey;

WHEREAS Respondent has represented to the Division that it corrected the issue that permitted the Sale of these LCMs;

WHEREAS the Division and Respondent (collectively, "Parties") have reached an amicable agreement hereby resolving the issues in controversy and concluding the Investigation without the need for further action, and Respondent having voluntarily cooperated with the Investigation and consented to the entry of the within order ("Consent Order"), and for good cause shown:

IT IS ORDERED AND AGREED as follows:

1. EFFECTIVE DATE

1.1 This Consent Order is effective on the date that it is filed with the Division ("Effective Date").

2. <u>DEFINITIONS</u>

Capitalized terms not otherwise defined in this Consent Order, shall have the following meanings:

2.1 "Advertisement" shall be defined in accordance with N.J.S.A. 56:8-1(a). This definition applies to other forms of the word "Advertisement" including, without limitation "Advertise[s]" and "Advertised."

2.2 "Attorney General" shall refer to the Attorney General of the State of New Jersey, or Acting Attorney General of the State of New Jersey, as applicable, and the Office of the Attorney General of the State of New Jersey.

2.3 "Clear and Conspicuous" or "Clearly and Conspicuously" shall mean a statement that, regardless of the medium in which it is made, is presented in such size, color, contrast, duration, location, and audibility compared to the other information with which it is presented that it is readily apparent and understandable and in language and in terms used in accordance with their common or ordinary usage and meaning. If such statement modifies, explains, or clarifies other information with which it is presented, it must be presented in proximity to the information it modifies, explains or clarifies in a manner that is readily apparent and understandable. 2.4 "Consumer[s]" shall refer to any Person who is offered Merchandise for Sale.

2.5 "Document[s]" Includes all writings, word processing documents, records saved as a .pdf, spreadsheets, charts, presentations, graphics/drawings, images, emails and any attachments, instant messages, correspondence, text messages, phone records, websites, audio files, and any other Electronically Stored Information. Documents Include originals and non-identical duplicates. If a printout of an electronic record is a non-identical copy of the electronic version (for example, because the printout has a signature, handwritten notation, other mark, or attachment not included in the computer document), both the electronic version in which the Document was created and the non-identical original Document must be produced.

2.6 "Electronically Stored Information" or "ESI" means any Document, correspondence, or information stored or maintained in electronic format.

2.7 "Field and Stream Website" means the website located at <u>www.FieldAndStreamShop.com</u> as formerly operated by Dick's Sporting Goods, Inc. prior to the IP Sale, as well as any other website owned or controlled by Respondent through which Respondent Advertises, offers for Sale, and Sells Merchandise.

2.8 "Include" and "Including" shall be construed as broadly as possible and shall mean "without limitation."

2.9 "LCM[s]" means large capacity ammunition magazine[s], as defined in N.J.S.A.2C:39-1(y).

2.10 "Merchandise" shall be defined in accordance with N.J.S.A. 56:8-1(c) and includes LCMs.

2.11 "Person[s]" shall be defined in accordance with N.J.S.A. 56:8-1(d).

2.12 "Sale" shall be defined in accordance with N.J.S.A. 56:8-1(e). This definition applies to other forms of the word "Sale" including, without limitation, "Sell" and "Sold."

2.13 "State" and "New Jersey" shall mean the State of New Jersey.

3. <u>REQUIRED AND PROHIBITED BUSINESS PRACTICES</u>

3.1 Respondent shall not engage in any unfair or deceptive acts or practices in the conduct of its business in New Jersey and shall comply with all New Jersey laws, rules, and regulations administered by the Division as now constituted or as may hereafter be amended including, but not limited to, the CFA and the Hazardous Products Regulations.

3.2 If Respondent resumes the online Sale of LCMs, Respondent shall not direct Advertisements of LCMs to any individual that Respondent has reason to know is a Consumer in the State of New Jersey.

3.3 Respondent shall not ship LCMs to any Consumers in New Jersey or to any New Jersey address in violation of the CFA and the Hazardous Products Regulations.

3.4 If Respondent resumes the online Sale of LCMs, it shall Clearly and Conspicuously disclose, on the LCM product pages of Respondent's Website, that certain U.S. jurisdictions restrict firearm magazine sales and that Dick's Sporting Goods cannot process Sales/shipments prohibited by law. Along with such notice, Respondent shall conspicuously disclose that "New Jersey law generally prohibits large capacity ammunition magazines ("LCMs") with a capacity of more than ten rounds of ammunition. Any person who knowingly possesses an LCM may be guilty of a crime of the fourth degree, punishable by fines and imprisonment," or include a link to a page containing such information.

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3.5 If Respondent resumes the online Sale of LCMs, it shall maintain policies regarding the prohibition of Advertising and shipping LCMs to Consumers in New Jersey and shall ensure that all employees charged with Advertising, reviewing and/or fulfilling LCM purchases are apprised of such policies, and any changes thereto.

3.6 If Respondent resumes the online Sale of LCMs, it shall continue to make and keep any and all Documents that it creates as part of its regular business processes concerning all Sales, and purchases of LCMs to any New Jersey shipping address, including, but not limited to, transaction records, order confirmations and order statuses, including shipping statuses, and shipment tracking, as applicable, for a period of ten years.

4. <u>SETTLEMENT AMOUNT</u>

4.1 The Parties have agreed to a settlement of the Investigation in the amount of Forty-Six Thousand and 00/100 Dollars (\$46,000.00) ("Settlement Amount").

4.2 The Settlement Amount consists of civil penalties in the amount of Thirty-Eight Thousand Nine Hundred and Nineteen and 00/100 Dollars (\$38,919.00), pursuant to N.J.S.A. 56:8-13, and reimbursement of the Division's attorneys' fees in the amount of Seven Thousand Eighty-One and 00/100 Dollars (\$7,081.00), pursuant to N.J.S.A. 56:8-19.

4.3 The Settlement Amount shall be paid within ten business days of Respondent's signing of this Consent Order.

4.4 The Settlement Amount shall be paid by certified check, cashier's check, money order, credit card, or wire transfer payable to the "New Jersey Division of Consumer Affairs" and forwarded to:

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Case Management and Tracking Unit New Jersey Department of Law and Public Safety Division of Consumer Affairs 124 Halsey Street – 7th Floor P.O. Box 45025 Newark, New Jersey 07101 Attention: Van Mallett, Lead Investigator

4.5 Upon paying the Settlement Amount, Respondent shall immediately be fully divested of any interest in, or ownership of, the moneys paid. All interest in the moneys, and any subsequent interest or income derived therefrom, shall inure entirely to the benefit of the Division pursuant to the terms herein.

5. <u>GENERAL PROVISIONS</u>

5.1 This Consent Order is entered into by the Parties of their own free and voluntary act and with full knowledge and understanding of the obligations and duties imposed by this Consent Order.

5.2 This Consent Order shall be governed by, and construed and enforced in accordance with, the laws of the State.

5.3 The Parties have negotiated, jointly drafted and fully reviewed the terms of this Consent Order and the rule that uncertainty or ambiguity is to be construed against the drafter shall not apply to the construction or interpretation of this Consent Order.

5.4 This Consent Order contains the entire agreement among the Parties. Except as otherwise provided herein, this Consent Order shall be modified only by a written instrument signed by or on behalf of the Parties.

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5.5 Except as otherwise explicitly provided in this Consent Order, nothing herein shall be construed to limit the authority of the Attorney General to protect the interests of the State or the people of the State.

5.6 If any portion of this Consent Order is held invalid or unenforceable by operation of law, the remaining terms of this Consent Order shall not be affected.

5.7 This Consent Order shall be binding upon Respondent as well as its managers, agents, employees, successors and assigns, and any Person through which they may now or hereafter act, as well as any Person who has authority to control or who, in fact, controls and directs their business.

5.8 This Consent Order shall be binding upon the Parties and their successors in interest. In no event shall assignment of any right, power or authority under this Consent Order be used to avoid compliance with this Consent Order.

5.9 This Consent Order is agreed to by the Parties and entered into for settlement purposes only. Neither the fact of, nor any provision contained in this Consent Order shall constitute or be construed as an approval, sanction, or authorization by the Division, or any other governmental unit of the State, of any act or practice of Respondent.

5.10 This Consent Order is not intended, and shall not be deemed, to constitute evidence or precedent of any kind except in: (a) an action or proceeding by one of the Parties to enforce, rescind, or otherwise implement any or all of the terms herein; or (b) an action or proceeding involving a Released Claim (as defined in Section 7) to support a defense of res judicata, collateral estoppel, release, or other theory of claim preclusion, issue preclusion, or similar defense. 5.11 Unless otherwise prohibited by law, any signatures by the Parties required for filing of this Consent Order may be executed in counterparts, each of which shall be deemed an original, but all of which shall together be one and the same Consent Order.

5.12 This Consent Order is a public document subject to the New Jersey Open Public Records Act, N.J.S.A. 47:1A-1 to -13.

6. <u>REPRESENTATIONS AND WARRANTIES</u>

6.1 Respondent represents and warrants that it has, at present, discontinued the sale and shipment of firearms, ammunition and related products, including LCMs.

7. <u>RELEASE</u>

7.1 In consideration of the payments, undertakings, mutual promises and obligations provided for in this Consent Order and conditioned on Respondent paying the Settlement Amount in the manner specified in Section 4, the Division hereby agrees to release Respondent from any and all civil claims or Consumer-related administrative claims, to the extent permitted by State law, which the Division could have brought prior to the Effective Date against Respondent arising out of or concerning the Covered Claims (the "Released Claims").

7.2 Notwithstanding any term of this Consent Order, the following do not comprise Released Claims: (a) private rights of action (b) actions to enforce this Consent Order; and (c) any claims against Respondent by any other agency or subdivision of the State.

8. <u>PENALTIES FOR FAILURE TO COMPLY</u>

8.1 The Attorney General (or designated representative) shall have the authority to enforce the provisions of this Consent Order or to seek sanctions for violations hereof or both.

8.2 The Parties agree that any future violations of the provisions of Section 3 of this Consent Order shall constitute a second or succeeding violation pursuant to N.J.S.A. 56:8-13 and that Respondent may be liable for enhanced civil penalties.

9. <u>COMPLIANCE WITH ALL LAWS</u>

9.1 Except as provided in this Consent Order, no provision herein shall be construed

as:

- a. Relieving Respondent of its obligation to comply with all State and Federal laws, regulations or rules, as now constituted or as may hereafter be amended, or as granting permission to engage in any acts or practices prohibited by any such laws, regulations or rules; or
- b. Limiting or expanding any right the Division may otherwise have to obtain information, documents or testimony from Respondent pursuant to any State or Federal law, regulation or rule, as now constituted or as may hereafter be amended, or limiting or expanding any right Respondent may otherwise have pursuant to any State or Federal law, regulation or rule, to oppose any process employed by the Division to obtain such information, documents or testimony.

10. NOTICES UNDER THIS CONSENT ORDER

10.1 Except as otherwise provided herein, any notices or other documents required to be sent to the Division or Respondent pursuant to this Consent Order shall be sent by United States mail, Certified Mail Return Receipt Requested, or other nationally recognized courier service that provides for tracking services and identification of the Person signing for the documents. The notices and/or documents shall be sent to the following addresses:

For the Division:

Assistant Deputy of Enforcement, Office of Consumer Protection Division of Consumer Affairs, State of New Jersey Office of the Attorney General Department of Law and Public Safety 124 Halsey Street - 7th Floor P.O. Box 45028 Newark, New Jersey 07101

For Respondent:

Dick's Sporting Goods, Inc. f/d/b/a Field & Stream Office of the General Counsel 345 Court Street Coraopolis, Pennsylvania 15108

IT IS ON THE ______ DAY OF NOVEMBER, 2024 SO ORDERED.

MATTHEW J. PLATKIN ATTORNEY GENERAL OF NEW JERSEY

(M By:_

CARI FAIS, DIRECTOR DIVISION OF CONSUMER AFFAIRS

THE PARTIES CONSENT TO THE FORM, CONTENT AND ENTRY OF THIS CONSENT ORDER ON THE DATES ADJACENT TO THEIR RESPECTIVE SIGNATURES.

FOR THE DIVISION:

MATTHEW J. PLATKIN ATTORNEY GENERAL OF NEW JERSEY

By: <u>Sara</u> J. Koste Sara J. Koste

Deputy Attorney General **Consumer Fraud Prosecution Section**

124 Halsey Street - 5th Floor P.O. Box 45029 Newark, New Jersey 07101

FOR RESPONDENT:

RENZULLI LAW FIRM, LLP

By:

Christopher Renzulli, Esq. Renzulli Law Firm, LLP Counsel for Dick's Sporting Goods, Inc. One North Broadway, Suite 1005 White Plains, New York 10601

DICK'S SPORTING GOODS, INC.

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By:

Natalie Troilo, Senior Corporate Counsel Dick's Sporting Goods, Inc. 345 Court Street Coraopolis, Pennsylvania 15108

Dated: 10/14/ , 2024

Dated: October 18

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Dated: 10/17, 2024

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