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The People of the State of California

Exempt from fees per Gov't Code § 6103
To the benefit of the City of San Diego

**SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN DIEGO**

The People of the State of California,

Plaintiffs,

v.

Vapor Authority, Inc.; Todd Skezas,
individually; Saman Mike Ebrahimi,
individually; and Does 1-20 inclusive,

Defendants.

Case No. 24CU024481C

**[PROPOSED] STIPULATED JUDGMENT
AND INJUNCTION**

I/C Judge: Hon. Marcella McLaughlin
Dept.: C-72
Complaint filed: November 21, 2024
Trial: Not Set Yet

This Stipulated Judgment and Injunction is entered into by and between The People of the State of California, acting by and through the City Attorney of San Diego, and Defendant Vapor Authority, Inc. (collectively, the “Parties,” and each a “Party”).

The Parties stipulate that the Stipulated Judgment and Injunction be entered in this Action as follows:

I. Definitions

1. The following definitions shall apply for purposes of this Stipulated Judgment:

a. “Action” means the civil action entitled *The People of the State of California v Vapor Authority, Inc., et al.*, San Diego Super. Ct. No. 24CU024481C.

- 1 b. “Court” means the Superior Court of California, County of San Diego.
- 2 c. “The People” means The People of the State of California, acting by and through
- 3 the City Attorney of San Diego.
- 4 d. “City Attorney” means the San Diego City Attorney’s Office.
- 5 e. “Vapor Authority” means Vapor Authority, Inc. and its owners, directors, officers,
- 6 employees, and agents.
- 7 f. “Effective Date” means the date this Stipulated Judgment and Injunction is
- 8 entered by the Court in this Action.

9 **II. Overview and Background**

10 2. On November 21, 2024, the People filed this enforcement action in San Diego

11 Superior Court, entitled *The People of the State of California v. Vapor Authority, Inc., et al.*, San

12 Diego Super. Ct. No. 24CU024481C (*i.e.*, the Action as defined in Section I).

13 3. The People allege Vapor Authority engaged in unlawful and unfair business practices

14 in violation of the Unfair Competition Law by selling flavored tobacco products prohibited by

15 California and San Diego law. Health & Safety Code § 104559.5; San Diego Municipal Code §

16 42.1603.

17 4. On March 7, 2025, Vapor Authority filed its answer generally denying liability.

18 5. Pursuant to the terms of a separate settlement agreement (attached as Exhibit 1)

19 between the Parties, and without any admission of liability on the part of Vapor Authority or any

20 other Defendant in this Action, the Parties enter this Stipulated Judgment and Injunction to fully

21 resolve the claims in the Action.

22 6. This Stipulated Judgment and Injunction is a full, final, and binding resolution of any

23 and all claims and causes of action that the People alleged in the People’s complaint, or that

24 could have been alleged in the People’s complaint based on the factual allegations set forth in

25 that complaint relating to the sale of flavored tobacco products.

26 7. The People believe that the resolution of the violations alleged in the complaint as

27 reflected in part in this Stipulated Judgment and Injunction is fair and reasonable and fulfills the

28 People’s enforcement objectives, that no further action is warranted concerning the specific

violations alleged in the complaint except as provided pursuant to the Stipulated Judgment and Injunction, and that entry of this Stipulated Judgment and Injunction is in the best interests of the general public.

III. Jurisdiction

8. The Parties are appearing before the Superior Court of California, County of San Diego, which has subject matter jurisdiction over the matters alleged in this Action and personal jurisdiction over the Parties to this Stipulated Judgment and Injunction.

9. The Court shall retain jurisdiction for the purpose of enforcement of the Stipulated Judgment and Injunction pursuant to California Code of Civil Procedure section 664.6.

IV. Injunctive Relief

10. The Parties request that this Court retain jurisdiction pursuant to Business and Professions Code section 17207 to enforce this Stipulated Judgment and Injunction.

11. Vapor Authority shall comply with California and San Diego law prohibiting the sale of flavored tobacco products. Health & Safety Code § 104559.5 and San Diego Municipal Code § 42.1603.

12. The terms of this Stipulated Judgment and Injunction may be enforced through a motion to enforce, contempt proceeding, a separate lawsuit, or any other proceeding recognized by the Court for enforcement of an injunction.

13. If the Court finds, after noticed motion and hearing, that Vapor Authority has violated Paragraph 11 by either selling flavored tobacco products to California consumers or purchasing flavored tobacco products with the intent to sell them to California consumers, Vapor Authority shall be liable for civil penalties of \$1,000 for each violation, pursuant to Business and Professions Code section 17207, in addition to any other sanction available in law or equity.

14. The terms of the injunction shall be for three years and begin on the Effective Date. If the Court finds after noticed motion and hearing that Vapor Authority has violated the terms of the injunction, then its three-year term shall start again upon entry of an order finding such a violation.

V. Enforcement of Judgment

15. The Parties acknowledge that the release set forth in the separate settlement agreement (attached as Exhibit 1) to which the Parties are signatories does not in any way relieve the Parties of the obligation to abide by each and every term of the settlement agreement and Stipulated Judgment and Injunction.

16. Any failure by any Party to the settlement agreement and the Stipulated Judgment and Injunction to insist upon the strict performance by any other Party of any provision of the settlement agreement and the Stipulated Judgment and Injunction shall not be deemed a waiver of any provision of the settlement agreement and the Stipulated Judgment and Injunction and such Party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any and all provisions of the settlement agreement and the Stipulated Judgment and Injunction.

VI. Other Provisions

17. California Law Governs Any Disputes. This Stipulated Judgment and Injunction shall be construed and enforced in accordance with the laws of the State of California.

18. Change in Law. If California or City of San Diego law governing flavored tobacco sales changes during the three-year injunction, the Parties shall meet and confer to determine whether to amend the Stipulated Judgment and Injunction. If the Parties cannot reach an agreement to jointly seek modification of the Stipulated Judgment and Injunction, either Party may unilaterally file a motion seeking modification of the Stipulated Judgment and Injunction as such Party believes is necessary to reconcile the spirit of the Parties' agreement to enter into this Stipulated Judgment and Injunction with the as-modified California and/or City of San Diego law.

19. Modification. No modification of the Stipulated Judgment and Injunction shall be binding except upon written consent by all the Parties to this Stipulated Judgment and Injunction and approval of the Court. No waiver or modification of any provision of this Stipulated Judgment and Injunction or of any breach thereof shall constitute a waiver or modification of any other provision or breach.

20. Interpretation. This Stipulated Judgment and Injunction shall be deemed to have been drafted equally by all Parties hereto. Accordingly, any and all rules of construction holding that ambiguity is construed against the drafting party shall not apply to the interpretation of this Stipulated Judgment and Injunction.

21. Severability. In the event any provision of this Stipulated Judgment and Injunction is held void or unenforceable for any reason, it shall in no way affect the enforceability of the remaining provisions.

22. Collateral Attack and Appeals. The City Attorney and Vapor Authority waive any right to set aside the Stipulated Judgment and Injunction through any collateral attack, and further waive their right to appeal from the Stipulated Judgment and Injunction.

23. Stay of Trial Court Litigation. The Parties agree to stay any and all deadlines in the Action, including any deadlines to respond to discovery and file discovery motions, through entry of the Stipulated Judgment and Injunction.

24. Dismissals. Upon entry of the Stipulated Judgment and Injunction, all allegations as to Vapor Authority shall be dismissed from this Action with prejudice.

Respectfully Submitted,

August 6,

Date: ~~July~~xx, 2025

HEATHER FERBERT, City Attorney

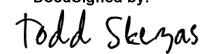


By: Kevin B. King
Deputy City Attorney

*Attorneys for Plaintiff, the People of the
State of California*

VAPOR AUTHORITY, INC.

Dated: July 17, 2025

DocuSigned by:

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By: Todd Skezas, Manager

1 REVIEWED AND APPROVED AS TO FORM AND CONTENT:

2
3 Dated: July 17, 2025

THOMPSON HINE LLP

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5 _____
Eric N. Heyer, Esq.

6 *Attorneys for Defendant*
7 *Vapor Authority, Inc.*

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

This Stipulated Judgment and Injunction, entered into by and between the People and Vapor Authority, be entered in this Action, as this Court hereby finds that the entry of this Stipulated Judgment and Injunction is in the interest of justice and in the public interest.

The Clerk of this Court is hereby directed to enter this Stipulated Judgment and Injunction, consisting of six (6) pages, in this Action forthwith.

This Court retains jurisdiction over the Parties to enforce the Stipulated Judgment and Injunction pursuant to California Code of Civil Procedure section 664.6.

This Action is hereby dismissed with prejudice as to Vapor Authority, Inc.

IT IS SO ORDERED, ADJUDGED AND DECREED.

Dated:

JUDGE OF THE SUPERIOR COURT

EXHIBIT 1

SETTLEMENT AGREEMENT

This Settlement Agreement (the “Settlement Agreement”) is entered into this 17th day of July, 2025 (the “Effective Date”), by and between Plaintiff The People of the State of California (the “People”), acting by and through the City Attorney of San Diego, and Defendants Vapor Authority, Inc. (“Vapor Authority”), Todd Skezas, and Saman Mike Ebrahimi. The People, Vapor Authority, Skezas, and Ebrahimi shall be collectively referred to herein as the “Parties.”

RECITALS

WHEREAS, on or about November 21, 2024, the People filed a civil action in San Diego Superior Court entitled *The People of the State of California v. Vapor Authority, Inc., et al.*, San Diego Super. Ct. No. 24CU024481C (the “Action”);

WHEREAS, in the Action, the People allege that Vapor Authority, Skezas, and Ebrahimi engaged in unlawful and unfair business practices in violation of the California Unfair Competition Law by selling flavored tobacco products prohibited by California Health & Safety Code § 104559.5 and San Diego Municipal Code § 42.1603;

WHEREAS, on or about March 7, 2025, Vapor Authority, Skezas, and Ebrahimi filed an answer generally denying liability;

WHEREAS, the Parties now wish to fully and completely resolve the claims asserted, and the allegations or claims which could have been asserted under the facts alleged in the complaint, by the People against Vapor Authority, Skezas, and Ebrahimi in the Action;

NOW, THEREFORE, in consideration of the promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

AGREEMENT

1. Vapor Authority's, Skezas', and Ebrahimi's Obligations and Representations.

a. Payment. Vapor Authority, Skezas, and Ebrahimi agree, jointly and severally, to pay a total of \$100,000 (one hundred thousand dollars and zero cents) (the "Settlement Amount") in civil penalties pursuant to Bus. & Prof. Code, section 17206(c)(3)(B) made payable to the Treasurer of the City of San Diego to be deposited in the Consumer Protection Prosecution Trust Fund for use exclusively by the City Attorney for the enforcement of consumer protection laws in the following manner:

i. a check for \$40,000.00 (forty thousand dollars and zero cents) for within three (3) business days of executing this Settlement Agreement;

ii. a check for \$30,000.00 (thirty thousand dollars and zero cents) within 30 days thereafter;

iii. a check for \$30,000.00 (thirty thousand dollars and zero cents) within 30 days after the previous payment.

iv. Each check shall be delivered to the Office of the City Attorney, Affirmative Civil Enforcement Unit, to the attention of Deputy City Attorney Kevin King.

b. Dismissal of Skezas and Ebrahimi Without Prejudice. Vapor Authority, Skezas, Ebrahimi agree to take all necessary actions to secure dismissal of the Action as against Skezas and Ebrahimi without prejudice, with each Party to bear its own attorneys' fees and costs, within seven (7) days following payment of the full Settlement Amount referenced in paragraph 1, above.

c. Stipulated Judgment and Injunction. Vapor Authority agrees to enter into the terms of the Stipulated Judgment and Injunction attached hereto as Exhibit A, to be filed following the entry of the order of dismissal of Skezas and Ebrahimi without prejudice.

2. The People's Obligations and Representations.

a. Receipt of Payment. The People agree to accept the payment of the Settlement Amount from Vapor Authority, Skezas, and Ebrahimi described in paragraph 1.a, above, in full and final settlement of the People's claims.

b. Dismissal of Skezas and Ebrahimi Without Prejudice. Within seven (7) days of the People's receipt of the full Settlement Amount referenced in paragraph 1, above, the People agree to take all necessary actions to secure the dismissal of the Action as against Skezas and Ebrahimi without prejudice, with each Party to bear its own attorneys' fees and costs.

c. Release of Claims. Upon receipt of the full Settlement Amount referenced in paragraph 1, above, the People fully and completely waive, release, and forever discharge Vapor Authority, Skezas, and Ebrahimi, and their respective affiliates, parents, subsidiaries, predecessors in interest, and successors in interest, as well as any of their members, shareholders, officers, directors, managers, agents, employees, and personal representatives, from the claims asserted, and the allegations or claims which could have been asserted under the facts alleged in the complaint, by the People against Vapor Authority, Skezas, and Ebrahimi in the Action.

d. Stipulated Judgment and Injunction; Notice and Opportunity to Cure Alleged Violations. The People agree to enter into the terms of the Stipulated Judgment and Injunction attached hereto as **Exhibit A**, to be filed following the entry of the order of dismissal of Skezas and Ebrahimi without prejudice. In the event that the People conclude that any of Vapor Authority, Skezas, or Ebrahimi are in violation of any provision of Stipulated Judgment and Injunction, the People shall first provide written notice of the alleged violation and an opportunity to cure at least fifteen (15) days before seeking any judicial relief as a result of the alleged violation. A copy of any such notice shall be sent via certified mail, postage prepaid, to Vapor Authority, Skezas, and Ebrahimi, with a copy to:

Eric N. Heyer
Thompson Hine LLP
1919 M Street, NW, Suite 700
Washington, DC 20036
Eric.Heyer@ThompsonHine.com

3. The Parties' Mutual Obligations and Representations

a. Attorney's Fees; Costs. The Parties shall bear their own attorneys' fees, costs, and any other expenses related to the Action.

b. No Admission of Liability. This Settlement Agreement effects a settlement of claims that are disputed. This Settlement Agreement is a compromise of a dispute resulting from arms-length negotiations conducted by counsel for the Parties with the Parties' full approval and consent. Payment by a Party released is not to be construed as an admission of liability on the part of that Party, by whom liability is expressly denied.

c. Binding on Successors. This Settlement Agreement and the covenants and conditions contained herein shall apply to, and be binding upon and inure to the benefit of, the administrators, executors, legal representatives, assignees, successors, agents, and assigns of the Parties hereto.

d. Construction. This Settlement Agreement shall be deemed to have been drafted equally by all Parties hereto. Accordingly, any and all rules of construction holding that ambiguity is construed against the drafting party shall not apply to the interpretation of this Settlement Agreement. This Settlement Agreement is to be interpreted, enforced, and governed by and under the laws of the State of California, without giving effect to the conflict of laws rules and principles thereof.

e. Modification; Waiver. This Settlement Agreement shall not be modified by any Party by oral representation made before or after the execution of this Settlement Agreement. All modifications must be in writing and signed by the Parties to be charged therewith. No waiver

or modification of any provision of this Settlement Agreement or of any breach thereof shall constitute a waiver or modification of any other provision or breach.

f. Counterparts. This Settlement Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original, and all of which shall constitute one agreement to be effective as of the Effective Date. Photocopies or facsimile copies of executed copies of this Settlement Agreement may be treated as an original.

g. Severability. In the event any provision of this Settlement Agreement is held void or unenforceable for any reason, it shall in no way affect the enforceability of the remaining provisions.

h. Authority. The signatories to this Settlement Agreement are duly and properly authorized to execute this Settlement Agreement on behalf of all entities which they purport to represent.

i. Review by Counsel. The Parties agree that they have had the opportunity to and have obtained the advice of legal counsel prior to executing this Settlement Agreement, have read this Settlement Agreement carefully, understand its meaning and consequences, and hereby execute it willingly and voluntarily.

IN WITNESS WHEREOF, the Parties have executed this Settlement Agreement as of the Effective Date set forth above.

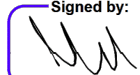
THE PEOPLE OF THE STATE OF
CALIFORNIA BY AND THROUGH THE CITY
ATTORNEY OF THE CITY OF SAN DEIGO

By:  _____

Print Name: Kevin B. King

Title: Deputy City Attorney

VAPOR AUTHORITY, INC.

Signed by:  _____
By:  _____
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Print Name: Saman Mike Ebrahimi

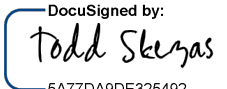
Title: President

SEE ATTACHED SIGNATURE PAGE

TODD SKEZAS

SEE ATTACHED SIGNATURE PAGE

SAMAN MIKE EBRAHIMI

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TODD SKEZAS

SAMAN MIKE EBRAHIMI

TODD SKEZAS

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