

1 HYDEE FELDSTEIN SOTO, City Attorney (SBN 106866)
 2 DENISE C. MILLS, Chief Deputy City Attorney (SBN 191992)
 3 MICHAEL J. BOSTROM, Sr. Assistant City Attorney (SBN 211778)
 4 CHRISTOPHER S. MUNSEY, Deputy City Attorney (SBN 267061)
 5 TIFFANY TEJEDA-RODRIGUEZ, Deputy City Attorney (SBN 298941)
 6 **OFFICE OF THE LOS ANGELES CITY ATTORNEY**
 200 North Main Street, 6th Floor
 Los Angeles, CA 90012
 Telephone: (213) 978-1867
 Email: chris.munsey@lacity.org

FILED
 Superior Court of California
 County of Los Angeles
 08/24/2023
 David W. Slayton, Executive Officer / Clerk of Court
 By: S. Luqueno Deputy

7 *Additional Counsel Appearances on the next page*

8 Attorneys for Plaintiff,
9 The People of the State of California

10 [NO FEE – Cal. Govt. Code § 6103]

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 12 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
 13 **COUNTY OF LOS ANGELES**

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 15
 16 THE PEOPLE OF THE STATE OF
 17 CALIFORNIA,
 18
 19

v.

 20 POLYMER80, INC., a Nevada corporation;
 21 DAVID BORGES, an individual; LORAN
 22 KELLEY, an individual,
 23
 24

Defendants.

CASE NO. 21STCV06257
~~PROPOSED~~ **STIPULATED JUDGMENT**
 Hon. Daniel S. Murphy
 Dept. 32

1 *Additional Counsel of Record:*

2 **QUINN EMANUEL URQUHART & SULLIVAN, LLP**

3 Robert M. Schwartz (SBN 117166)
robertschwartz@quinnemanuel.com

4 Duane R. Lyons (SBN 125091)
duanelyons@quinnemanuel.com

5 Andrew M. Brayton (SBN 319405)
andrewbrayton@quinnemanuel.com

6 865 South Figueroa Street, 10th Floor
7 Los Angeles, CA 90017
Telephone: (213) 443-3000

8
9 Emiliano Delgado (admitted *pro hac vice*)
emilianodelgado@quinnemanuel.com

10 300 West 6th Street, Suite 2010
Austin, TX 78701
11 Telephone: (737) 667-6100

12 **EVERYTOWN LAW**

13 Eric Tirschwell (admitted *pro hac vice*)
etirschwell@everytown.org

14 Len Hong Kamdang (admitted *pro hac vice*)
lkamdang@everytown.org

15 Aaron Esty (admitted *pro hac vice*)
aesty@everytown.org

16 450 Lexington Avenue, P.O. Box #4184
New York, NY 10017
17 Telephone: (646) 324-8222

18 Andrew Nellis (admitted *pro hac vice*)
19 anellis@everytown.org

20 P.O. Box 14780
Washington, DC 20044
21 Telephone: (202) 517-6621

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1 This Stipulated Judgment is entered into by and between the following: Plaintiff the People
2 of the State of California, by and through its counsel of record, the Office of the Los Angeles City
3 Attorney (City Attorney Hydee Feldstein Soto, Chief Deputy City Attorney Denise C. Mills,
4 Senior Assistant City Attorney Michael J. Bostrom, Deputy City Attorney Christopher S. Munsey,
5 and Deputy City Attorney Tiffany Tejada-Rodriguez), Quinn Emanuel Urquhart & Sullivan, LLP
6 (Robert M. Schwartz, Duane R. Lyons, Andrew M. Brayton, and Emiliano Delgado), and
7 Everytown Law (Eric Tirschwell, Len Hong Kamdang, Andrew Nellis, and Aaron Esty), on the
8 one hand; and Defendants Polymer80, Inc., David Borges, and Loran Kelley, by and through their
9 counsel of record Greenspoon Marder LLP (Michael Marron) and Bradley Arant Boult Cummings
10 LLP (James W. Porter III, W. Chadwick Lamar Jr., John Parker Sweeney, and Marc A. Nardone),
11 on the other hand.

12 **I. DEFINITIONS**

- 13 1. The following definitions apply for purposes of this Stipulated Judgment:
- 14 a. “Enforcement Action” means the civil law enforcement action styled
15 *The People of the State of California v. Polymer80, Inc., et al.*,
16 Los Angeles County Superior Court, Case No. 21STCV06257.
 - 17 b. “Court” means the Los Angeles County Superior Court.
 - 18 c. “Effective Date” means the date this Stipulated Judgment is entered by
19 the Court in the Enforcement Action.
 - 20 d. “People” means Plaintiff the People of the State of California.
 - 21 e. “Office” means the Office of the Los Angeles City Attorney, and its
22 officials, attorneys, employees, agents, contractors, and representatives.
 - 23 f. “People’s Counsel” means all counsel for the People in the Enforcement
24 Action.
 - 25 g. “Defendants” means Defendants Polymer80, Inc., David Borges, and
26 Loran Kelley, and their successors and assigns.
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- h. “Polymer80” means Defendant Polymer80, Inc. and its successors and assigns.
- i. “Individual Defendants” means Defendants David Borges and Loran Kelley and their successors and assigns.
- j. “UCL” means California’s Unfair Competition Law, Cal. Bus. & Prof. Code §§ 17200, *et seq.*
- k. “Unserialized Gun Kits” means unserialized Buy Build Shoot Kits, pistol frame kits, and AR-15 receiver kits, including the Polymer80 PF940v1, PF940C, PF940v2, PF940SC, PF45, PF9SS, G150, RL556v3, and .308 kits, and/or any other current or future unserialized kits that include a similar combination of parts.
- l. “Buy Build Shoot Kit” means an unserialized kit sold by Defendants and marketed as “contain[ing] all the necessary components to build a complete . . . pistol,” which included a finishing jig, drill bits, slide assembly, frame parts kit, and magazine, and/or any other current or future products that include a combination of parts from which a complete firearm can be made.
- m. “GCA” means the federal Gun Control Act., 18 U.S.C. §§ 921, *et seq.*
- n. “CSLA” means the federal Child Safety Lock Act, 18 U.S.C. § 922(z).
- o. “CUHA” means the California Unsafe Handgun Act, Cal. Penal Code §§ 31900, *et seq.*
- p. “CAFL” means the California Assembly of Firearms Law, Cal. Penal Code §§ 29180, *et seq.*
- q. “Roster” means the Roster of Certified Handguns maintained by the California Department of Justice.
- r. “ATF” means the federal Bureau of Alcohol, Tobacco, Firearms, and Explosives.

- 1 s. “Customer” means any retail purchaser or end-user of any Unserialized
2 Gun Kit.
- 3 t. “Dealer” means any wholesale purchaser, purchaser for resale, or
4 distributor of Unserialized Gun Kits, and/or any person or entity that has
5 or enters into an agreement with any of Defendants relating to the
6 purchase for resale of Unserialized Gun Kits.
- 7 u. “Existing Dealer” means any person or entity who was a Dealer on the
8 Effective Date.
- 9 v. “New Dealer” means any person or entity who becomes a Dealer after
10 the Effective Date.
- 11 w. “Customer Support” means providing customer service of any kind,
12 including but not limited to returns, exchanges, warranty service,
13 instruction, guidance, or other product assistance.
- 14 x. “Statutory Period” means the period from February 17, 2017 until the
15 Effective Date.
- 16 y. “Subject Matter of the Enforcement Action” means Defendants’ sale,
17 shipment, distribution, marketing, and/or advertising of Unserialized
18 Gun Kits and/or Defendants’ provision of Customer Support relating to
19 the assembly of Unserialized Gun Kits.

20 **II. OVERVIEW**

21 2. On February 17, 2021, the People filed a Complaint against Defendants in the
22 Los Angeles Superior Court, for alleged violations of the UCL and the creation of a public
23 nuisance.

24 3. In the Complaint, the People allege that Defendants—Polymer80 and its two co-
25 founders, Individual Defendants—sold into California the vast majority of kits and parts used to
26 assemble illegal, untraceable “ghost guns.” The People allege that Defendants’ sales of these kits
27 into California violated the GCA and the CSLA. The People also allege that Defendants aided and
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1 abetted the manufacture of handguns that fail to comply with the CUHA and that are not listed on
2 the Roster, and that Defendants aided and abetted the manufacture of unserialized firearms that
3 lacked 3.7 ounces of material type 17-4 stainless steel embedded within the plastic, in violation of
4 the CAFL. The People allege that Defendants aided and abetted the manufacture of guns that
5 violated the CUHA and/or the CAFL by selling ghost gun kits into California, providing
6 instructions on how to assemble them, and providing robust customer service to assist their
7 customers in manufacturing the kits into completed firearms. The People also allege that
8 Defendants engaged in false and misleading advertising by stating on the Polymer80 website that
9 the ATF had determined that Polymer80 ghost gun kits were not firearms under federal law. The
10 People allege that Defendants' sales of ghost gun kits into California constituted an unfair
11 business practice. The People also allege that by marketing, selling, and distributing ghost gun
12 kits to California residents, without serial numbers, without background checks, and without
13 appropriate safety features, Defendants created a public nuisance.

14 4. Defendants deny the People's allegations and set forth 36 affirmative defenses
15 regarding the merits of the People's allegations and/or the procedure by which the People brought
16 those allegations, which Defendants contend would have defeated the People's allegations if
17 successful.

18 5. Instead of engaging in protracted and costly litigation that will delay relief for
19 California residents, as well as consume significant time and resources of the Court and of the
20 parties, the People and Defendants agree to the entry of this Stipulated Judgment to resolve all of
21 the matters in dispute in this Enforcement Action, without the completion of trial or the
22 adjudication of issues involving law or fact.

23 **III. PUBLIC DISCLOSURE OF INFORMATION**

24 6. The parties agree to the public disclosure of certain facts ("Stipulated Facts") set
25 forth in paragraphs a-f below. The inclusion of any statement by Defendants in response to any
26 Stipulated Fact ("Defendants' Statement") is not intended to and does not constitute an admission
27 or agreement by the People that Defendants' Statement is true or supported by the evidence
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1 adduced in the Enforcement Action. The People expressly dispute each and every Defendants’
2 Statement set forth below, deny that Defendants’ Statements are true or accurate, and deny that
3 Defendants’ Statements are supported by the evidence adduced in the Enforcement Action.

4 a. **Stipulated Fact:** Defendants sold over 200,000 Unserialized Gun Kits into
5 California during the Statutory Period, including over 1,600 Buy Build Shoot
6 Kits. Defendants sold these Unserialized Gun Kits without performing
7 background checks on any of their customers.

8 i. **Defendants’ Statement:** Defendants did not believe that they were
9 legally or otherwise required to perform background checks on their
10 Customers on sales of Unserialized Gun Kits into California during the
11 statutory period.

12 b. **Stipulated Fact:** Defendants sold Unserialized Gun Kits to felons in California
13 who were prohibited under federal and state law from possessing firearms,
14 including individuals convicted of murder, assault with a deadly weapon, rape,
15 spousal abuse, and possession of child pornography.

16 i. **Defendants’ Statement:** Defendants made no such sales with the
17 knowledge or belief that any of its Customers were prohibited under
18 federal or state law from possessing firearms.

19 c. **Stipulated Fact:** Defendants sold and shipped 77 Buy Build Shoot Kits, as
20 well as 20 other Unserialized Gun Kits, to Saeed Ghazi, a person on the FBI’s
21 Most Wanted List for operating an illegal firearms business and illegally
22 exporting firearms.

23 i. **Defendants’ Statement:** Defendants did not know and had no reason
24 to know at the time of these sales that Mr. Ghazi was on the FBI’s Most
25 Wanted List or that Mr. Ghazi was prohibited under federal or state law
26 from possessing firearms.

1 d. **Stipulated Fact:** Defendants routinely stated that their Unserialized Gun Kits
2 were “easy” to build into functioning firearms, as evidenced by Exhibits A-C,
3 attached hereto.

4 e. **Stipulated Fact:** Defendants had information that they sold Unserialized Gun
5 Kits to at least one minor, including multiple complaints from parents, as
6 evidenced by Exhibit D attached hereto.

7 i. **Defendants’ Statement:** Defendants did not knowingly sell any
8 Unserialized Gun Kits to minors.

9 f. **Stipulated Fact:** Defendants were specifically warned by an employee of the
10 California Department of Justice that construction of their Unserialized Gun
11 Kits in California was illegal, as evidenced by the document attached hereto as
12 Exhibit E.

13 i. **Defendants’ Statement:** This employee did not opine on the legality of
14 Unserialized Gun Kits in California generally but noted in his personal
15 capacity that while unfinished handguns and handgun component parts
16 are legal to purchase in California, he did not believe he could legally
17 personally purchase and finish a PF940C in California.

18 **IV. INJUNCTIVE RELIEF AND OTHER AFFIRMATIVE**
19 **UNDERTAKINGS**

20 7. Pursuant to section 17203 of the UCL, Defendants are hereby subject to the
21 permanent injunction set forth in Paragraphs 8-24 below, beginning on the Effective Date:

22 8. Within 10 days of the entry of this Stipulated Judgment, Defendants shall provide
23 notice of the terms of the injunctive relief and other affirmative undertakings contained in
24 Paragraphs 8-24 of this Stipulated Judgment to all of Defendants’ owners, officers, agents, and
25 employees. Defendants shall also provide notice of these terms to any future successors or assigns.
26 All of Defendants’ owners, officers, agents, employees, and successors or assigns who receive
27 actual notice of these terms shall be bound by them. Defendants, their owners and officers and
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1 successors and assigns shall be bound by these terms during the period in which this Stipulated
2 Judgment remains in force. Defendants' agents and employees, however, shall be bound by these
3 terms only so long as they remain agents and employees of Defendants.

4 9. Defendants agree that service of this Stipulated Judgment on their counsel of record
5 in this Enforcement Action shall constitute personal service upon each of them.

6 **A. Prohibition on Sales and Distribution of Unserialized Gun Kits**

7 10. Defendants are prohibited from:

- 8 a. Selling, distributing, shipping, delivering, or engaging in the non-sale
9 distribution of Unserialized Gun Kits in or into the State of California.
- 10 b. Entering into any agreement that allows a Dealer or other third party to sell,
11 distribute, ship, deliver, or engage in the non-sale distribution of Unserialized
12 Gun Kits into California, or that allows the Dealer or other third party to sell,
13 distribute, ship, deliver, or engage in the non-sale distribution of Unserialized
14 Gun Kits to others who sell, distribute, ship, deliver, or engage in the non-sale
15 distribution of Unserialized Gun Kits into California.
- 16 c. Otherwise consenting to or allowing, either expressly or impliedly, the sale,
17 distribution, shipment, delivery, or non-sale distribution of Unserialized Gun
18 Kits into the State of California.

19 11. To ensure compliance with the terms of this Stipulated Judgment, Defendants shall
20 require each of their Dealers to execute an Addendum to any current or future agreement between
21 the Dealer and any of Defendants that:

- 22 a. Prohibits the sale of Defendants' Unserialized Gun Kits into California; and
23 b. Acknowledges that it is unlawful for any person to assemble any of
24 Defendants' Unserialized Gun Kits in California.

25 12. Defendants shall provide a copy of the Addendum to each of its Existing Dealers
26 within 10 days of the Effective Date. Defendants shall provide a copy of an executed Addendum
27 for each Existing Dealer to the Office within 90 days of the Effective Date. If any Existing Dealer
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1 fails to provide to Defendants an executed Addendum within 90 days of the Effective Date,
2 Defendants: (a) shall provide to the People the name, address, and telephone number of such
3 Existing Dealer; and (b) shall not sell, distribute, ship, deliver, or engage in the non-sale
4 distribution of any Unserialized Gun Kits to such Dealer until such Dealer has provided an
5 executed Addendum to Defendants and a copy of said executed Addendum has been provided to
6 the People. For any New Dealer, Defendants shall provide a copy of an executed Addendum for
7 that New Dealer to the Office within 15 days of execution of the Addendum. Defendant shall not
8 sell, distribute, ship, deliver, or engage in the non-sale distribution of any Unserialized Gun Kits to
9 any New Dealer until such New Dealer has provided an executed Addendum to Defendants and a
10 copy of said executed Addendum has been provided to the People.

11 13. Defendants are not required to obtain an executed Addendum in order to provide
12 sample products to prospective Dealers who are not Existing Dealers or New Dealers. Defendants
13 shall prohibit any prospective Dealer from selling, distributing, shipping, delivering, or engaging
14 in the non-sale distribution of any samples of Unserialized Gun Kits unless and until such
15 prospective Dealer becomes a New Dealer and provides an executed Addendum to Defendants
16 and a copy of said executed Addendum has been provided to the People pursuant to Paragraph 12.
17 Defendants shall require any prospective Dealer who does not become a New Dealer to return to
18 Defendants or destroy any samples of Unserialized Gun Kits. Defendants shall inform any
19 prospective Dealer to whom Defendants provide samples of Unserialized Gun Kits that: (a) sales
20 of Defendants' Unserialized Gun Kits in California are prohibited; and (b) it is unlawful for any
21 person to assemble any of Defendants' Unserialized Gun Kits in California. Nothing in this
22 paragraph shall be construed as altering Defendants' obligations under paragraph 10 of this
23 Stipulated Judgment.

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B. Representations Regarding the Legality of Unserialized Gun Kits

14. Defendants are prohibited from stating (including on any website, advertisement, or other document) that Unserialized Gun Kits are legal to sell, own, or assemble in the State of California, or to otherwise represent that Unserialized Gun Kits are legal in the State of California.

15. Defendants shall include with any discussion of the legality of Unserialized Gun Kits including on any website, in any advertisement, in any promotional material (including but not limited to marketing emails or mass communications sent to persons on mailing lists), or in any written communication with any individual customer or prospective customer who Defendants know or have reason to know is located in California (as “know or have reason to know” is defined in paragraph 18 below) the following statement: “The State of California prohibits the sale and/or assembly of certain products, and, accordingly, Polymer80 does not permit unserialized, unfinished frame or receiver kits to be distributed to or sold into California.” Any successor in interest to Polymer80, or any other entity formed or owned by any of the Defendants that engages in the business of manufacturing, selling, or advertising Unserialized Gun Kits shall also make this disclosure, but shall replace “Polymer80” with the name of the entity.

16. The provisions of Paragraphs 14-15 shall also apply to all of Defendants’ agents, successors, and assigns.

C. Customer Support

17. Defendants are prohibited from providing Customer Support relating to any Unserialized Gun Kit, including instruction or advice regarding the conversion, assembly, or construction of any Unserialized Gun Kit, to any person who Defendants know or have reason to know is located in California.

18. Defendants shall be deemed to know or have reason to know that a person is located in California if the person has provided information to Defendants reflecting that the person is located in California. Information reflecting the person’s location includes, but is not limited to:

- 1 a. Disclosing or providing information from which it is reasonably apparent,
2 either in the request for Customer Support or in any other communication on or
3 after May 17, 2023, that the person is located in California;
- 4 b. Providing, at any time, a California shipping address in connection with any
5 order for any product, regardless of whether such product is an Unserialized
6 Gun Kit; and
- 7 c. Information contained in Defendants' customer lists or mailing lists at the time
8 of the Customer Support communication.

9 19. Defendants are not required to research or consult information outside of company
10 records or the Customer Support communications to ascertain the location of the person seeking or
11 inquiring about Customer Support.

12 20. Defendants will not be considered in breach of Paragraph 17 of this Stipulated
13 Judgment where they inadvertently provide Customer Support to a person located in California
14 without knowing or having reason to know that the person resided or was located in California at
15 the time Customer Support was provided.

16 21. Defendants shall include language on any sections of the Polymer80 website (or
17 any other current or future website maintained by any Defendant that sells Unserialized Gun Kits
18 or advertises Unserialized Gun Kits for sale) relating to Customer Support stating that Defendants
19 cannot provide Customer Support to persons located in California.

20 22. The provisions of Paragraphs 17-21 shall also apply to all of Defendants' agents,
21 successors, and assigns.

22 **D. Audit Rights**

23 23. To ensure compliance with the terms of this Stipulated Judgment, the Office shall
24 have the right to audit Defendants' Customer sales and Dealer information ("Audit Rights") as
25 follows:

- 26 a. Defendants shall provide, on a quarterly basis, records sufficient to show all
27 sales of Unserialized Gun Kits ("Sales Report"). The first Sales Report shall be
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1 due within 15 days of the Effective Date. Subsequent Sales Reports shall be
2 due on the 15th day of the third month following the prior disclosure.
3 Defendants may initially redact Customer information from Sales Reports,
4 except that the Sales Report must disclose the state provided for each
5 Customer's billing address and shipping address. If information contained in
6 any Sales Report reveals any potential violations of this Stipulated Judgment,
7 Defendants shall provide, in response to a reasonable request from the Office,
8 such additional information, including a Customer's complete address and other
9 information, as the Office may request.

10 b. If the Office has reason to believe that any Dealer or third party is selling or has
11 sold any of Defendants' Unserialized Gun Kits into the State of California,
12 Defendants shall provide, in response to a reasonable request from the Office,
13 such information in Defendants' possession about that Dealer or third party as
14 the Office may request.

15 24. The People's Audit Rights shall begin on the Effective Date, and shall continue
16 until the full payment of the Civil Penalties set forth in Section V below.

17 **V. CIVIL PENALTIES**

18 25. Pursuant to Business & Professions Code section 17206, Defendants shall pay to
19 the Office \$5,000,000 in civil penalties. Polymer80 shall pay \$4,000,000 in civil penalties, and
20 Individual Defendants shall be jointly and severally liable for \$1,000,000 in civil penalties. These
21 civil penalties shall be paid in installments ("Penalty Payments") over a period of three years and
22 90 days, as set forth in Section V.B below.

23 26. The Penalty Payments shall be made via check payable to the "Treasurer of the
24 City of Los Angeles."

25 27. All Penalty Payments and any written correspondence in connection with the
26 Penalty Payments shall be directed to the Office of the Los Angeles City Attorney, Attention:
27 Christopher S. Munsey, Deputy City Attorney, 201 N. Figueroa St., Suite 1300, Los Angeles, CA
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1 90012, chris.munsey@lacity.org.

2 28. The amount of civil penalties and the payment schedule set forth in this Stipulated
3 Judgment are based on Defendants' demonstrated inability to pay a larger penalty, based on
4 information each Defendant provided to the Office about its respective assets, liabilities, income,
5 and net worth, and attested to by each Defendant under oath in the affidavits attached as Exhibits
6 F, G, and H to this Stipulated Judgment ("Financial Affidavits").

7 29. The Office will report the Penalty Payments as penalties through an IRS Form
8 1098-F, pursuant to and consistent with 26 U.S.C. section 6050X. Therefore, each Defendant
9 shall provide to the Office (i) an IRS Form W-9 within 14 calendar days of the Effective Date, and
10 (ii) any other information the Office reasonably requires to fulfill its reporting obligations within
11 seven days of the Office's request.

12 **A. Penalty Reopener**

13 30. If, based on information learned or obtained after the Effective Date, the Office
14 reasonably believes that information contained in any Financial Affidavit is incomplete,
15 inaccurate, false, or misleading, the Office shall have the right to reopen the amount of civil
16 penalties and the right to petition the Court to reassess civil penalties to account for Defendants'
17 true assets, liabilities, incomes, and net worth in accordance with Business & Professions Code
18 section 17206(b).

19 **B. Penalty Payment Schedule**

20 31. The first Penalty Payment shall be made within 90 days following the Effective
21 Date, in the following amounts:

- 22 a. Polymer80 shall pay \$100,000.
23 b. Individual Defendants shall jointly and severally pay \$50,000.

24 32. The second Penalty Payment shall be made within 270 days following the Effective
25 Date, in the following amounts:

- 26 a. Polymer80 shall pay \$350,000.
27 b. Individual Defendants shall jointly and severally pay \$125,000.

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1 33. The third Penalty Payment shall be made within 450 days following the Effective
2 Date, in the following amounts:

3 a. Polymer80 shall pay \$710,000.

4 b. Individual Defendants shall jointly and severally pay \$165,000.

5 34. The fourth Penalty Payment shall be made within 630 days following the Effective
6 Date, in the following amounts:

7 a. Polymer80 shall pay \$710,000.

8 b. Individual Defendants shall jointly and severally pay \$165,000.

9 35. The fifth Penalty Payment shall be made within 810 days following the Effective
10 Date, in the following amounts:

11 a. Polymer80 shall pay \$710,000.

12 b. Individual Defendants shall jointly and severally pay \$165,000.

13 36. The sixth Penalty Payment shall be made within 990 days following the Effective
14 Date, in the following amounts:

15 a. Polymer80 shall pay \$710,000.

16 b. Individual Defendants shall jointly and severally pay \$165,000.

17 37. The seventh Penalty Payment shall be made within 1,170 days following the
18 Effective Date, in the following amounts:

19 a. Polymer80 shall pay \$710,000.

20 b. Individual Defendants shall jointly and severally pay \$165,000.

21 **C. Acceleration of Penalties Owed**

22 38. If any Defendant fails to timely make any Penalty Payment as described in Section
23 V.B, the entire remaining amount of the Civil Penalties then unpaid by Defendants shall be
24 immediately due and payable to the Office, and the Office may collect the entire remaining
25 amount of the Civil Penalties, subject to the right to cure set forth below.

26 **D. Right to Cure**

27 39. Polymer80 shall have the right to cure one failure to timely make any Penalty
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1 Payment by making such Penalty Payment within 30 days of the initial due date. After Polymer80
2 exercises its right to cure with respect to any failure to make any single Settlement Payment, it
3 shall not have the right to cure any subsequent failure to timely make any Penalty Payment unless
4 it receives written permission from the People to do so. The People shall have sole and unfettered
5 discretion regarding whether to provide or to not provide such written permission, and a request
6 by Polymer80 to the People to provide such written permission shall not extend the due date of
7 any Penalty Payment.

8 40. Individual Defendants shall, collectively, have the right to cure one failure to
9 timely make any Settlement Payment by making such Penalty Payment within 30 days of the
10 initial due date. After Individual Defendants exercise their right to cure with respect to any failure
11 to make any single Penalty Payment, they shall not have the right to cure any subsequent failure to
12 timely make any Penalty Payment unless they receive written permission from the People to do so.
13 The People shall have sole and unfettered discretion regarding whether to provide or to not
14 provide such written permission, and a request by the Individual Defendants, or any of them, to
15 the People to provide such written permission shall not extend the due date of any Penalty
16 Payment.

17 **VI. RELEASE**

18 41. In full and complete settlement, satisfaction, and compromise of the People's
19 claims, the People release any and all claims that were or could have been alleged against
20 Defendants arising out of, related to, or in connection with the Subject Matter of the Enforcement
21 Action, accruing prior to the Effective Date.

22 42. In full and complete settlement, satisfaction, and compromise of Defendants'
23 possible claims, Defendants release any and all claims that were or could have been alleged
24 against the People or the People's Counsel arising out of, related to, or in connection with the
25 Subject Matter of the Enforcement Action, accruing prior to the Effective Date.

26 43. The People and Defendants each acknowledge that each of them has been advised
27 by its attorneys of the contents and effect of section 1542 of the California Civil Code, and each of
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1 these parties expressly waives, with respect to this Stipulated Judgment, any and all of the
2 provisions, rights, and benefits conferred by section 1542, which states:

3 A general release does not extend to claims that the creditor or releasing party does not
4 know or suspect to exist in his or her favor at the time of executing the release and that, if
5 known by him or her, would have materially affected his or her settlement with the debtor
6 or released party.

7 44. Nothing in this Stipulated Judgment, however, precludes or affects the People's or
8 Defendants' right to enforce the terms of this Stipulated Judgment.

9 **VII. JURISDICTION**

10 45. The parties agree that the Court has jurisdiction over the subject matter of this
11 Enforcement Action and the parties thereto, pursuant to Article VI, section 10 of the California
12 Code of Civil Procedure sections 410.10, et seq., and the UCL.

13 46. Pursuant to section 664.6 of the California Code of Civil Procedure, the Court's
14 inherent power, and any other applicable law, the Court shall retain jurisdiction to decide any and
15 all disputes, claims, or controversies between the People and Defendants arising out of, related to,
16 or in connection with the validity, interpretation, application, breach, satisfaction, or enforcement
17 of this Stipulated Judgment, including its injunctive provisions, except as otherwise specifically
18 limited herein.

19 **VIII. OTHER PROVISIONS**

20 47. The injunctive relief contained in Section IV of this Stipulated Judgment shall
21 become effective on the Effective Date.

22 48. This Stipulated Judgment shall not prohibit the Office or the People from pursuing
23 future civil or criminal proceedings against Defendants arising out of any unlawful, unfair, or
24 fraudulent business acts or practices under the UCL that are of the Subject of the Enforcement
25 Action occurring after the Effective Date.

26 49. This Stipulated Judgment shall not be construed as relieving Defendants of the
27 obligation to comply with all state and federal laws, regulations and rules, nor shall any of the
28

1 provisions of this Stipulated Judgment be deemed to constitute permission to engage in any
2 business acts or practices prohibited by such laws, regulations, and rules.

3 50. This Stipulated Judgment shall not create any rights in any person, natural or
4 otherwise, other than the parties hereto.

5 51. This Stipulated Judgment represents and incorporates the entire agreement between
6 the parties, and supersedes any and all prior and contemporaneous communications, negotiations,
7 understandings, and agreements between the parties, whether oral or written, with respect to the
8 matters covered in this Stipulated Judgment.

9 52. This Stipulated Judgment may not be changed, modified, altered, interlineated, or
10 supplemented, except by agreement in writing signed by all of the parties hereto that is thereafter
11 approved by order of the Court.

12 53. All of the parties hereto waive all rights to appeal this Stipulated Judgment, except
13 to the extent a party seeks to appeal an order that arises from an action or proceeding to enforce
14 the terms of this Stipulated Judgment.

15 54. Except to the extent as otherwise provided in this Stipulated Judgment, each party
16 hereto shall bear its own attorney's fees and costs arising out of, related to, or in connection with
17 the Enforcement Action.

18 55. The parties hereto agree that this Stipulated Judgment may be signed by the parties
19 and their counsel in counterpart.

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1 Respectfully submitted:

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Dated: August 18, 2023

Office of the Los Angeles City Attorney

Christopher S. Munsey
Christopher S. Munsey
Attorneys for Plaintiff
The People of the State of California

Defendant Polymer80, Inc.

Dated: _08/22/2023

Loran Kelley
By: Loran Kelley
Its: CEO

Defendant David Borges

Dated: _____ 2023

Defendant Loran Kelley

Dated: _08/22/2023

Loran Kelley

1 Respectfully submitted:

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Dated: August 18, 2023

Office of the Los Angeles City Attorney

Christopher S. Munsey
Christopher S. Munsey
Attorneys for Plaintiff
The People of the State of California

Defendant Polymer80, Inc.

Dated: _____ 2023

By: _____
Its: _____

Defendant David Borges

Dated: __ 8/22 ____ 2023



Defendant Loran Kelley

Dated: _____ 2023

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IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

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

The Clerk of this Court is hereby directed to enter this Stipulated Judgment in this Enforcement Action forthwith.

IT IS SO ORDERED, ADJUDGED, AND DECREED.

Date: 08/24/2023, 2023



Daniel S. Murphy / Judge

Hon. Daniel S. Murphy
Los Angeles County Superior Court Judge

Exhibit A

Message

From: Dan McCalmon [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=DMCCALMON]
Sent: 3/24/2020 2:28:57 PM
To: [REDACTED]
CC: Zach Smith [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=f5dadd27427e44e18775155fca4317c0-zach.smith]
Subject: Polymer80 Intro
Attachments: 2020 Price Sheet MASTER.pdf

Hi [REDACTED]

Thanks for taking the time to consider our products as options for Kenzie's Optics. We have just about everything you can imagine for our pistol frame line-up from 80% frame kits to frame parts kits, slides, barrels, magwells, you name it. I've attached a copy of our dealer price sheet for you to review. One of our top selling items right now is the BBS kit, BBS standing for Buy, Build, Shoot. The kits are available in the compact or full size frame in any of the color options the frame comes in. Included with the kit is the 80% frame kit, frame parts kit, complete slide assembly with barrel and sights installed and an appropriately sized magazine for the pistol. It's basically a pistol in a box and the only item the customer needs to acquire after purchasing a BBS kit is some ammo.

I've cc'd Zach Smith with this email as he would be your assigned dealer rep. Zach, please work on providing any other documents Keith would need to get Kenzie's Optics set up as a dealer.

Dan McCalmon

Executive Vice President

Phone: 707-580-8030

Mon.-Fri. 8am-5pm CST

Fax: 702-442-7382

dan.mccalmon@polymer80.com



Engage your Freedom

Polymer80, Inc.

www.polymer80.com

Exhibit B

Message

From: Dan McCalmon [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=DMCCALMON]
Sent: 12/1/2020 10:54:28 PM
To: [REDACTED]
BCC: [REDACTED]
Subject: Polymer80

Hi [REDACTED]

I can arrange to have one of our pistols sent to your FFL. In order to do this, I'll need a copy of the FFL for where it is to be sent. This can be done by having the FFL holder email me a copy or you can scan and email it to me. The shipping address will also need to be provided.

[REDACTED] and I spoke and he mentioned to me that instead of shipping you a pistol, you might be interested in building one. Polymer80 specializes in what are known as 80% products. An 80% product is a receiver or frame (the part of the gun that is serialized), that is not completed and does not require a serial number for sale or possession. There is a small amount of work to be done to remove some material and then you are ready to install the components to build your pistol. It's a fairly easy process and instructions can be found on our website, www.polymer80.com under the "how to" section. I can also make myself available to assist and talk you through any questions you have.

The legality of owning a firearm without a serial number is straight forward. As long as you complete the required work yourself to turn the 80% product into a firearm and do not sell or giveaway the firearm when it is completed, you are within your legal right to build your own gun. The beauty of this is that we have a complete kit called the Buy, Build, Shoot Kit that contains everything needed (except ammo) to build your own pistol and it can be shipped directly to your home without the need for an FFL transfer. It's about as American as you can get as far as owning a firearm is concerned.

Our pistols utilize the same components as a Glock and are easy to assemble. A variety of videos and instructions can be found online to walk you through the process. What is great about the whole thing is that when you are completed with your pistol, you have more of an in depth knowledge and understanding of how the pistol works and what goes into its function and operation. Plus you have the ability to customize the pistol with a variety of options to make it unique to you and unlike anything anyone else has.

Either way I'm happy to provide you with some product. Just let me know what works best for you and I will make it happen. Thanks!

Dan McCalmon

Executive Vice President

Phone: 707-580-8030

Mon.-Fri. 8am-5pm CST

Fax: 702-442-7382

dan.mccalmon@polymer80.com



Engage your Freedom

Polymer80, Inc.

www.polymer80.com

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Exhibit C

At Shot Show 2016, Polymer80 unveiled the PF940™; world's first 80% Glock-compatible pistol frame for the G17/22 platform. This product became an immediate success in the marketplace, and has been featured by major retailers like Brownells Inc, MidwayUSA, & Rainier Arms.

For our next project, we challenged our team to create a new pistol frame by refining the current design with improved ergonomics and new features.

Therefore at Shot Show 2017 we would like to proudly introduce the PF940C™ and usher in the next generation of the 80% Polymer pistol frames from Polymer80.

PF940C™ Compact Pistol Frame will be compatible with the Gen3 Glock 19/23 platform:

- High-Strength Reinforced Polymer Construction
- Aggressive and Adaptable Laser Grip Texture (Optional - ReadyMod™ Blank Grip)
- Picatinny/STANAG Accessory Rail
- Serialization-Ready
- Stainless Steel Locking Block Rail System
- Stainless Steel Drop-In Rear Rail Module
- Hardened Rail System Pins
- Finishing Jig and Tooling Included
- Compatible with Glock® Compact Frame Components

We plan to make the PF940C™ available to our Dealer network by middle of January 2017. Here are some of the benefits any perspective dealer should expect by adding this product to the mix:

- Unique product for all fans of DIY pistol building that will make you stand out from your competitors.
- Blank Grip frames for those customers that enjoy custom modification and stippling their pistols.
- Sell more Glock 19/23 Gen3 completion parts kits.
- No FFL required to sell this product.
- Readily convertible to 100% functioning pistol frame, for those wanting to sell through their FFL. Easily engrave the serial number on the serialization plate.

Exhibit D

Message

From: Alex Brodsky [alex.brodsky@polymer80.com]
Sent: 5/19/2017 4:30:31 PM
To: [REDACTED]
CC: Dave Borges [david@polymer80.com]
Subject: Re: Polymer80 introductions

[REDACTED] no problem I'll happily send you another sample on us.

Alex

On May 19, 2017, at 9:03 AM, [REDACTED] wrote:

Hi Alex,

We received the frames and slide for the contest. Everything looks great. We're waiting on a few other parts from other sponsors and then we'll be ready to get this contest under way.

On another note, would it be possible for us to order another PF940 and PF940C for our internal testing?

Just let me know and I can get you a PO.

Thanks.

[REDACTED]
Faxon Firearms

Marketing Coordinator

11101 Adwood Drive

Cincinnati, OH 45240

Direct: [REDACTED]

<image001.jpg>

On Mon, May 8, 2017 at 1:06 PM, [REDACTED] wrote:
Alex,

That sounds great. Thanks. I think that's all we'll need for the giveaway.

And yes, I also look forward to discussing co-marketing opportunities.

Talk to you soon.

--

Faxon Firearms

Marketing Coordinator

11101 Adwood Drive

Cincinnati, OH 45240

Direct: [REDACTED]

<image001.jpg>

On Mon, May 8, 2017 at 1:01 PM, Alex Brodsky <alex.brodsky@polymer80.com> wrote:

Hi [REDACTED]

Pleasure to meet you, I have set up 2 frames and a slide to go out your way, let me know if you need anything more. I would definitely enjoy an opportunity to co-market in the future, after the Give Away is done let's set up a good time to talk. Would love to pick your brain and see what plans you have for any future marketing projects.

Sincerely,

Alex Brodsky

Vice President of Marketing

Polymer80 Inc.

925-457-7270

www.polymer80.com



From: [REDACTED]
Sent: Friday, May 5, 2017 12:57 PM
To: David Borges
Cc: Nathan Schueth; Patrick Murphy; Alex Brodsky; mike.guttridge@polymer80.com
Subject: Re: Polymer80 introductions

David and Alex,

We're excited to have Polymer80 on board for the contest and I'm sure there will be other places we can partner as well.

We're finalizing sponsors for this pistol contest and it's coming together very nicely. Magpul just agreed to donate 8 mags to the contest. Needless to say if they push this out to their email/social channels, we all grow our lists considerably.

I understand and fully agree with your concern for the winner being 21. There are three things we can do. We can add a required field to verify age when someone initially signs up. We will also put it in the terms and conditions. Thirdly, we can confirm with the winner before we send the prize out.

In terms of samples, please send them to:

Faxon Firearms

Attn: [REDACTED]

11101 Adwood Drive

Cincinnati, OH 45240

If you have any other questions, please feel free to contact me any time. We're all really excited for this new contest and having Polymer80 on board.

Thanks.

--



Faxon Firearms

Marketing Coordinator

11101 Adwood Drive

Cincinnati, OH 45240

Direct:



<image005.jpg>

On Fri, May 5, 2017 at 3:05 PM, David Borges <david@polymer80.com> wrote:

Gentlemen,

I wanted to introduce you to Alex Brodsky our Marketing VP. I'd like him to engage in getting you samples for the co-marketing promotion. The P80 slide might also be something we can offer. It won't have the slide parts kit or sights, but that's more opportunity to bring others in on the fun!

I know you guys have given rifles away in the past, but there is a minor concern about the person being 21 (which I believe is a federal deal) on taking possession of a pistol. Not sure it's a big deal, but wanted to bring that to your attention as a potential issue.

I get calls periodically on our pistol sales because some 16 year old kid has ordered a pistol using his parents address and credit card. Mom's get pretty furious and I hate being on the other end of those tail-tucking calls – a woman's wrath is something else as I'm sure you know. ☺

But, let's do this!! I'm loving this opportunity and can't wait to see it roll out.

Sincerely,

David L. Borges

Co-Founder, CEO/CFO

Polymer80, Inc.

<image003.jpg>

C: 

W: 800-517-1243, x 901

3111 N. Deer Run Road, #8

Carson City, NV 89701

Exhibit E

Message

From: David Borges [david@polymer80.com]
Sent: 7/31/2019 10:03:07 PM
To: 'Daniel Gregonis' [Daniel.Gregonis@doj.ca.gov]
Subject: RE: Law Enforcement inquiry

Thanks Daniel, I'd be happy to assist in any way I can in terms of industry representation and to add any value I can.

Sincerely,

David L. Borges
Co-Founder, CEO/CFO
Polymer80, Inc.



C: [REDACTED]
W: 800-517-1243, x 1200
134 Lakes Blvd
Dayton, NV 89403
-Engage Your Freedom-

From: Daniel Gregonis <Daniel.Gregonis@doj.ca.gov>
Sent: Wednesday, July 31, 2019 4:14 PM
To: David Borges <david@polymer80.com>
Subject: RE: Law Enforcement inquiry

Welcome to the quicksand of California gun laws. I think it would be extremely difficult and expensive for you to get your pistols accepted in California for sale to the general public. Currently, you would have to meet the requirements for a "safe" handgun (a) magazine disconnect, b) loaded chamber indicator and c) microstamping –which of course is really going to happen at the point of the firing pin or breech face which means you have to have the completed pistol–not just the frame).

Unfortunately there is a "handgun roster" in ca (just google handgun roster-ca is the only one that has one) which details the handguns that were manufactured prior to 2002 and are acceptable to still buy and sell. Because of continued requirements many of these handguns fall off the list-it takes recertification of the handgun to remain on the list–don't know how expensive or onerous that is.

As the saying goes- California is to handguns as cars are to Cuba- a private citizen/non-sworn law enforcement officer basically can't purchase anything that wasn't already in existence/production prior to 2002.

The exception, that may be available to you, may be active law enforcement officers who are exempt from the silly laws pertaining to "safe handguns" and can purchase all of the newer models and types of handguns. I don't know what the expense or process is–you may look at the DOJ Bureau of Firearms website–they might have some guidance there. Otherwise I wouldn't go through the effort to try–especially with the current AG and Governor.

A question for you–we have a group of firearms examiners that occasionally need industry contacts and experts. Can I pass on your name to this group- I can either limit the information to California Bureau /DOJ employee members only or another list would go out to other State, Local and private examiners.

Thanks again.

Daniel J. Gregonis

Senior Criminalist
California DOJ-BFS-Riverside Criminalistics Laboratory
7425 Mission Blvd.
Riverside, CA 92509
Daniel.Gregonis@doj.ca.gov

951-361-5000

From: David Borges <david@polymer80.com>
Sent: Wednesday, July 31, 2019 1:04 PM
To: Daniel Gregonis <Daniel.Gregonis@doj.ca.gov>
Subject: RE: Law Enforcement inquiry

Ah, I see, very interesting. Thanks for elaborating on that. Yep, it's a bummer.

I wonder what it would take to get some of our pistols (in their serialized form, because we manufacture those as well) to be accepted in Cali. Is the process expensive?

Sincerely,

David L. Borges
Co-Founder, CEO/CFO
Polymer80, Inc.



C: [REDACTED]
W: 800-517-1243, x 1200
134 Lakes Blvd
Dayton, NV 89403
-Engage Your Freedom-

From: Daniel Gregonis <Daniel.Gregonis@doj.ca.gov>
Sent: Wednesday, July 31, 2019 2:20 PM
To: David Borges <david@polymer80.com>
Subject: RE: Law Enforcement inquiry

The handgun 80%'s and component parts are perfectly legal to purchase in California. However CA Penal Code section 32000 prohibits an individual (or company) from "manufacturing" an "unsafe handgun". PC 32000 is a misdemeanor but still against the law. Manufacturing would include finishing the 80% frame to 100%.

CA's definition of a "safe" handgun includes a requirement for: a) magazine disconnect, b) loaded chamber indicator and c) that all reliable and available microstamping

I personally tried this route intending on manufacturing a handgun from an SS80 (I had the frame and parts on order-they just needed to be shipped). This included filing papers with CA-DOJ, AND paying my fee, to obtain a serial number. Even though I specified that I was going to make a pistol from an SS80 in my application they took my money and sent me a letter with the unique serial number. At the bottom of their letter was a sentence about PC 32000. I confirmed with DOJ Bureau of Firearms that I would be violating the law had I completed the frame. After doing some more research I cancelled my order.

Bottom line, although it's very attractive, anyone that purchases an 80% pistol frame and finishes it in California is violating the law in California- even if they put the serial number on it and follow the guidelines for registration.

Believe me, if it wasn't for the kids and grandkids I wouldn't be in California ☺. I would be living in a free state.

Daniel J. Gregonis
Senior Criminalist
California Department of Justice
Riverside Criminalistics Laboratory
7425 Mission Blvd.
Riverside, CA. 92509

951-361-5000
951-361-5010 FAX
Daniel.Gregonis@doj.ca.gov

"To put the world in order, we must first put the nation in order, to put the nation in order, we must put the family in order; to put the family in order, we must cultivate our personal life; and to cultivate our personal life, we must first set our hearts right." Confucius 551-479 BC

From: David Borges <david@polymer80.com>
Sent: Wednesday, July 31, 2019 11:59 AM
To: Daniel Gregonis <Daniel.Gregonis@doj.ca.gov>
Subject: RE: Law Enforcement inquiry

I believe you can go ahead and order one, but you'd then just go to the DOJ (internal to you ironically) and actually ask for them to approve the self-assigned serial number for registration of the frame. I believe it's possible to do that (buy y'all know better than I do).
There's a process at DOJ, I just don't know what it is (I live in San Antonio, TX).

The other option is get off the Left Coast and head to America! Wink! ☺

Sincerely,

David L. Borges
Co-Founder, CEO/CFO
Polymer80, Inc.



C: [REDACTED]
W: 800-517-1243, x 1200
134 Lakes Blvd
Dayton, NV 89403
-Engage Your Freedom-

From: Daniel Gregonis <Daniel.Gregonis@doj.ca.gov>
Sent: Wednesday, July 31, 2019 1:54 PM

To: David Borges <david@polymer80.com>

Subject: RE: Law Enforcement inquiry

Excellent-this is more than helpful-just too bad I can't personally purchase and finish your product legally in California-I was impressed with the quality and feel and whomever finished this frame did a nice job.

Thanks again David.

Daniel J. Gregonis
Senior Criminalist
California Department of Justice
Riverside Criminalistics Laboratory
7425 Mission Blvd.
Riverside, CA. 92509

951-361-5000
951-361-5010 FAX
Daniel.Gregonis@doj.ca.gov

"To put the world in order, we must first put the nation in order, to put the nation in order, we must put the family in order; to put the family in order, we must cultivate our personal life; and to cultivate our personal life, we must first set our hearts right." Confucius 551-479 BC

From: David Borges <david@polymer80.com>
Sent: Wednesday, July 31, 2019 10:34 AM
To: Daniel Gregonis <Daniel.Gregonis@doj.ca.gov>
Subject: RE: Law Enforcement inquiry

OK, so from what I can see this is our standard textured frame, which is either in Flat Dark Earth or ODGreen.

What I can tell you, there's no way they could have been produced prior to the following schedule because I went back and researched our PO system and inventory receivables, and we had not produced these until:

Flat Dark Earth: May 22nd of 2017

OD Green: June 7 of 2017

It would have taken at least one week per color to deliver to our dealers (palleted and shipped LTL) or to put them online even, and sell them via the online webstore. Bottom line, add at least one week to the above dates.

Sincerely,

David L. Borges
Co-Founder, CEO/CFO
Polymer80, Inc.



C: [REDACTED]
W: 800-517-1243, x 1200
134 Lakes Blvd
Dayton, NV 89403
-Engage Your Freedom-

From: Daniel Gregonis <Daniel.Gregonis@doj.ca.gov>
Sent: Wednesday, July 31, 2019 11:50 AM
To: David Borges <david@polymer80.com>
Subject: RE: Law Enforcement inquiry

Hi David-Thank you for your reply- see the attached photos.

Daniel J. Gregonis
Senior Criminalist
California Department of Justice
Riverside Criminalistics Laboratory
7425 Mission Blvd.
Riverside, CA. 92509

951-361-5000
951-361-5010 FAX
Daniel.Gregonis@doj.ca.gov

“To put the world in order, we must first put the nation in order, to put the nation in order, we must put the family in order; to put the family in order, we must cultivate our personal life; and to cultivate our personal life, we must first set our hearts right.” Confucius 551-479 BC

From: David Borges <david@polymer80.com>
Sent: Wednesday, July 31, 2019 8:26 AM
To: Daniel Gregonis <Daniel.Gregonis@doj.ca.gov>
Subject: RE: Law Enforcement inquiry

Daniel,

The PF940C began marketing in Dec 2016, Launched March 2017. If you send me a picture of the product, it might help me to know.

There's not a way that I'm aware of really good way to determine **date of mfg** by looking at the product. **What color is it (the underlying material – look inside the magwell because sometimes people cerakote things)?**

Sincerely,

David L. Borges
Co-Founder, CEO/CFO
Polymer80, Inc.



C: [REDACTED]
W: 800-517-1243, x 1200
134 Lakes Blvd
Dayton, NV 89403
-Engage Your Freedom-

From: shannon.bowen@polymer80.com <shannon.bowen@polymer80.com>
Sent: Tuesday, July 30, 2019 5:13 PM
To: 'David Borges' <david@polymer80.com>
Subject: Law Enforcement inquiry

Hello Dave,

Please see below email request received today.

Daniel Gregonis

1 hour ago

[Permalink](#)

Hi,

I have a POLYMER80, Model PF940C involved in a case I am working and have a couple of questions:

- 1) When did you first start producing the PF940C?
- 2) Is there anywhere on the frame, after it has been completed, that will let me know what date the PF940C was manufactured?

Thank you.

Daniel J. Gregonis

Senior Criminalist

CA-DOJ Criminalistics Laboratory-Riverside

7425 Mission Blvd.

Riverside, CA 92509

Thank you in advance,

Shannon Bowen

Lead Support Supervisor

Polymer 80, Inc.



134 Lakes Blvd

Dayton NV 89403

W: 775-222-0215

C: [REDACTED]

1-800-517-1243 ex.1105

<http://www.polymer80.com>

-ENGAGE YOUR FREEDOM-

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Exhibit F

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

THE PEOPLE OF THE STATE OF CALIFORNIA,

Plaintiff,

v.

POLYMER80, INC., a Nevada corporation;
DAVID BORGES, an individual; LORAN
KELLEY, an individual,

Defendants.

CASE NO. 21STCV06257

FINANCIAL AFFIDAVIT

Hon. Daniel S. Murphy
Dept. 32

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FINANCIAL AFFIDAVIT OF DEFENDANT POLYMER80, INC.

1. My name is Loran Kelley. I am the CEO at Polymer80, Inc.

2. I submit this affidavit on behalf of Defendant Polymer80, Inc. (“Polymer80”) in connection with the Proposed Stipulated Judgment in the civil action *People v. Polymer80, Inc., et al.*, Los Angeles Superior Court Case No. 20STCV06257 (“Action”).

3. During negotiations to settle the Action, Polymer80, through its counsel in this action, provided the following documents relating to Polymer80’s financial condition to the Office of the Los Angeles City Attorney (“Office”):

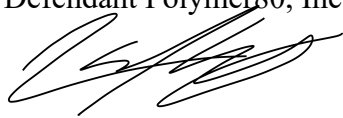
- a. Stockman Bank Statement Ending 02/28/2023 for Polymer80, Inc.’s Essential Business account ending in 6436.
- b. Stockman Bank Statement Ending 02/28/2023 for Polymer80 Properties, LLC’s Essential Business account ending in 6525.
- c. Stockman Bank Statement Ending 02/28/2023 for Polymer80, Inc.’s Business Premier MM account ending in 3831.
- d. Stockman Bank Statement Ending 01/31/2023 for Polmer80, Inc.’s Essential Business account ending in 6436.
- e. Central Bank Utah statement dated March 31, 2023 for Polymer80, Inc.’s Free Business Checking account ending in 8592.
- f. Greater Nevada Credit Union statement for Statement Period 03/01/23 thru 03/31/23 for Polymer80, Inc.’s Commercial Shares account ending in 9441.
- g. Greater Nevada Credit Union statement for Statement Period 02/01/23 thru 02/28/23 for Polymer80, Inc.’s Simple Business Checking account ending in 9459.
- h. Checking Summary for March 30, 2023 through March 31, 2023 for Polymer80, Inc.’s Chase Platinum Business Checking account ending in 1500.
- i. Transactions Activity from February 22, 2023 through March 29, 2023 for Polymer80, Inc.’s Stockman Bank Essential Business Account ending in 6436.

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- j. Accounts Payable Aging Summary for Polymer80, Inc. as of March 29, 2023.
- k. Accounts Receivable Aging over 1000 for Polymer80, Inc. as of March 29, 2023.
- l. Appraisal Report of Machinery and Equipment Located at Polymer80, Inc. effective December 8, 2022.
- m. Excel sheet attached as Exhibit D to the April 13, 2023 letter from Michael S. Marron to Christopher S. Munsey.
- n. Polymer80, Inc.'s Draft Balance Sheet for End of Dec. 2022, dated May 2, 2023.
- o. Polymer80, Inc.'s Draft Income Statement from Jan 2022 to Dec 2022.

4. I declare under penalty of perjury under the laws of the state of California and the United States of America that the documents listed above provided a complete and accurate picture of Polymer80's income, assets, liabilities, and net worth as of May 17, 2023, and that Polymer80 has no income, assets, or liabilities that have not been disclosed to the Office.

5. I understand that the Office has relied on this information in negotiating a settlement of the Action, and that pursuant to the terms of the proposed Stipulated Judgment, the People may petition the Court to reassess penalties against Polymer80 should the Office obtain information demonstrating that Polymer80's financial condition is materially different than what is represented through the documents set forth above.

Defendant Polymer80, Inc.


Dated: 8/19/2023

Exhibit G

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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES**

THE PEOPLE OF THE STATE OF CALIFORNIA,

Plaintiff,

v.

POLYMER80, INC., a Nevada corporation;
DAVID BORGES, an individual; LORAN
KELLEY, an individual,

Defendants.

CASE NO. 21STCV06257

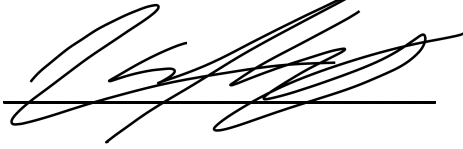
**FINANCIAL AFFIDAVIT OF
LORAN KELLEY**

Hon. Daniel S. Murphy
Dept. 32

1 information demonstrating that my financial condition is materially different than what is
2 represented through the documents set forth above.

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Defendant Loran Kelley



Dated: 8/19/2023

Exhibit H

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

THE PEOPLE OF THE STATE OF CALIFORNIA,

Plaintiff,

v.

POLYMER80, INC., a Nevada corporation;
DAVID BORGES, an individual; LORAN
KELLEY, an individual,

Defendants.

CASE NO. 21STCV06257

FINANCIAL AFFIDAVIT OF DAVID L. BORGES

Hon. Daniel S. Murphy
Dept. 32

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- xii. 2021 IRS Form 8879 e-file Signature Authorization.
- xiii. 2021 e-file Jurat/Disclosure for IRS Form 1040 or 1040NR using Practitioner PIN method.
- xiv. 2021 IRS Form 1040-V for David L. and Jennifer L. Borges.
- xv. 2021 IRS Form 1040 for David L. and Jennifer L. Borges.
- xvi. 2021 IRS Form 1040 Schedule 1 for David L. and Jennifer L. Borges.
- xvii. 2021 IRS Form 1040 Schedule 3 for David L. and Jennifer L. Borges.
- xviii. 2021 IRS Form 2210 for David L. and Jennifer L. Borges.
- xix. Underpayment of Estimated Tax Worksheet for David L. and Jennifer L. Borges.
- xx. 2021 IRS Form 1040 Schedule A for David L. and Jennifer L. Borges.
- xxi. 2021 IRS Form 1040 Schedule B for David L. and Jennifer L. Borges.
- xxii. 2021 IRS Form 1040 Schedule C for David L. and Jennifer L. Borges.
- xxiii. 2021 IRS Form 1040 Schedule D for David L. and Jennifer L. Borges.
- xxiv. 2021 IRS Form 8949 for David L. and Jennifer L. Borges.
- xxv. Page 2 of 2021 IRS Form 1040 Schedule E for David L. and Jennifer L. Borges.
- xxvi. 2021 IRS Form 3800 for David L. and Jennifer L. Borges.
- xxvii. 2021 IRS Form 4797 for David L. and Jennifer L. Borges.
- xxviii. 2021 IRS Form 8995-A for David L. and Jennifer L. Borges.
- xxix. 2021 IRS Form 8995-A Schedule C for David L. and Jennifer L. Borges.
- xxx. 2021 IRS Form 6252 for David L. and Jennifer L. Borges.
- xxxi. Installment Sale Schedule of Receipts for David L. and Jennifer L. Borges.
- xxxii. 2021 IRS Form 8959 for David L. and Jennifer L. Borges.
- xxxiii. 2021 IRS Form 8960 for David L. and Jennifer L. Borges.

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- xxxiv. Net Gains and Losses Worksheet.

- xxxv. 2021 Statement SBE Supplemental Business Expenses for David L. Borges.

- xxxvi. 2021 IRS Form 4562 for David L. and Jennifer L. Borges.

- xxxvii. IRS Form 1040 Statements 1, 2, 3, 4, 5, 6, and 7 for David L. and Jennifer L. Borges.

- xxxviii. Schedule 1 Statements 8 and 9 for David L. and Jennifer L. Borges.

- xxxix. Schedule A Statements 10, 11, 12, and 13 for David L. and Jennifer L. Borges.

- xl. Schedule D Statement 14 for David L. and Jennifer L. Borges.

- xli. Form 3800 Statement 15 for David L. and Jennifer L. Borges.

- xlii. Form 4797 Statement 16, Form 8960 Statements 17 and 18, and Form 2106/SBE Statement 19 for David L. and Jennifer L. Borges.

- xliii. 2022 IRS Form 1099-R for David L. Borges from Capital Bank and Trust Company.

- e. Letter from Great Lakes to David L. Borges dated February 8, 2023.

- f. Letter from American Express to David Borges regarding account ending in 93002 dated March 17, 2023.

- g. Document showing current balance, available credit, and transactions since March 22, 2023 for Costco Anywhere Visa Card by Citi account ending in 3779 with statement closing date of April 21, 2023.

- h. Citi Advantage Executive World Mastercard statement for billing period February 11, 2023 through March 10, 2023.

- i. Lincoln Financial Group Term Life Insurance Premium Reminder for insured David Loran Borges for policy ending in 2461 with January 12, 2023 due date.

- j. Lincoln Financial Group Account Details for policy ending in 2461 for David

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- L. Borges.
- k. Lincoln Financial Group Term Life Insurance Premium Reminder for insured David Loran Borges for policy ending in 7226 with April 28, 2022 due date.
- l. 2022 Bexar County Tax Assessor Collector Real Property tax statement for account ending in 0450.
- m. First United Construction Loan Statement dated March 17, 2023.
- n. 2023 homeowner association dues statement for David Borges and Jennifer Borges.
- o. Sheffield Financial Account Information for account ending on 0732 dated April 25, 2023.
- p. Atlantic Specialty Insurance Company Invoice Number 407771.
- q. Atlantic Specialty Insurance Company Invoice Number 407770.
- r. Bank of the West Statement dated February 12, 2023 for account ending in 0884.
- s. Wells Fargo Auto Statement dated February 11, 2023 for account ending in 1141.
- t. Wells Fargo Auto Loan Account Summary for account ending in 1141.
- u. Letter from Michael S. Marron to Christopher S. Munsey dated April 17, 2023.
- v. Frost Bank Personal Line of Credit Plus Statement for account ending in 9004 with February 26, 2023 due date.
- w. Frost Bank Personal Line of Credit Plus Statement for account ending in 9004 with March 26, 2023 due date.
- x. Frost Bank Personal Line of Credit Plus Statement for account ending in 9004 with April 26, 2023 due date.
- y. Frost Personal Account statement for account ending in 0773 dated February 14, 2023.
- z. Frost Personal Account statement for account ending in 0773 dated March 14,

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aa. Wells Fargo at Work Checking Statement for account ending in 6787 dated February 28, 2023.

bb. Wells Fargo at Work Checking Statement for account ending in 6787 dated March 31, 2023.

cc. Schwab One Account statement for David Borges and Jennifer L. Borges for statement period March 1 through March 31, 2023.

dd. Charles Schwab statement for Rollover IRA of David Borges for statement period March 1 through March 31, 2023.

ee. Spreadsheet titled "Personal Financials David Borges" attached to May 2, 2023 email from Michael Marron to Chris Munsey.

ff. Email sent by Michael S. Marron to Christopher S. Munsey on May 4, 2023 at 6:11 a.m. Pacific Daylight Time.

3. I declare under penalty of perjury that the documents listed above provided a complete and accurate picture of my income, assets, liabilities, and net worth as of May 17, 2023, and that I have no income or assets that have not been disclosed to the Office.

4. I understand that the Office has relied on this information in negotiating a settlement of the Action, and that pursuant to the terms of the proposed Stipulated Judgment, the People may petition the Court to reassess penalties against me should the Office obtain information demonstrating that my financial condition is materially different than what is represented through the documents set forth above.

Defendant David L. Borges

Dated: 8/22/2023

1 **PROOF OF SERVICE**

2 **STATE OF CALIFORNIA, COUNTY OF LOS ANGELES**

3 I am employed in the County of Los Angeles. I am over the age of 18 and not a party to
4 the within action; my business address is: Office of the City Attorney, 201 N. Figueroa Street, 13th
5 Floor, Los Angeles, California 90012.

6 On **August 22, 2023** I served copies of the following document described as
7 **[PROPOSED] STIPULATED JUDGMENT** on the parties in this action via email as follows:

8 GERMAIN D. LABAT
9 germain.labat@gmlaw.com
10 GREENSPOON MARDER LLP
11 1875 Century Park East, Suite 1900
12 Los Angeles, CA 90067
13 Telephone (323) 880-4520
14 Facsimile: (954) 771-9264

MICHAEL MARRON
michael.marron@gmlaw.com
590 Madison Avenue, Suite 1800
New York, NY10022
Telephone: (212) 501-7673
Facsimile: (212) 524-5050

12 JAMES W. PORTER III
13 jporter@bradley.com
14 Bradley
15 One Federal Place
16 1819 5th Avenue N
17 Birmingham, AL 35203
18 Telephone: (205) 521-8000
19 Facsimile: (205) 521-8800

MARC NARDONE
mnardone@bradley.com
Bradely
1615 L Street NW
Suite 1350
Washington, D.C. 20036

20 **[X] BY E-SERVICE:** Based on a court order and an agreement of the parties to accept service by
21 electronic transmission, I caused the document(s) described above to be sent to the persons at the e-
22 mail addresses listed above. I did not receive, within a reasonable time after the transmission, any
23 electronic message or other indication that the transmission was unsuccessful.

24 Executed on **August 22, 2023** at Los Angeles, California.

25 */s/ Danitza J. Muñoz*
26 DANITZA J. MUÑOZ
27
28