

## **SETTLEMENT AGREEMENT**

This Settlement Agreement is entered into between the California Air Resources Board (CARB), with its principal location at 1001 I Street, Sacramento, California 95814; and Legend Trucking, LLC and Queen Trucking, LLC (Legend Trucking), with their principal location at 1420 Georgia Road, Humboldt, Kansas 66748-1059 (collectively, the "Parties," or individually, "Party").

### **LEGAL BACKGROUND**

- (1) Purpose. The California Health and Safety Code mandates the reduction of emission of air pollution from motor vehicles, and requires CARB to adopt regulations that require owners and operators of heavy-duty vehicles to perform regular inspections of their vehicles for excess emissions. (Health & Saf. Code §§ 43000, 43000.5, 43011.)
- (2) Regulation. CARB adopted the "*Heavy Duty Vehicle Inspection and Maintenance Program* (HD I/M Regulation), also known as the Clean Truck Check Program (CTC Program) (Cal. Code Regs., tit. 13, §§ 2195, et seq.). The CTC Program ensures that vehicles operating in California have properly configured, functioning, and well-maintained emission control components.
- (3) Regulatory Provisions. The CTC Program applies to all non-gasoline heavy-duty vehicles operating in California, and the owners and operators of such vehicles. The CTC Program imposes periodic vehicle testing requirements. It authorizes CARB to conduct on-road emissions monitoring, inspect on-road heavy-duty vehicles for properly operating emissions control systems and engine tampering, and to issue citations to the vehicle owner, who must repair the emissions control systems, perform post-repair testing, and submit proof of the repairs along with assessed penalties. (Cal. Code Regs., tit. 13, § 2195 et seq.) Owners of heavy-duty vehicles must also affix a manufacturer Emission Control Label (ECL) to the vehicle's engine, as proof that the engine meets appropriate emissions standards (Cal. Code Regs., tit. 13, § 2195.1.)
- (4) Penalty Provisions. Failure to comply with the regulatory requirements is a violation of State law that may result in penalties up to forty-seven thousand three hundred sixty-three dollars (\$47,363.00 USD) per action, for strict liability violations. (Cal. Code Regs., tit. 13, §§ 2198.2(d); Health & Saf. Code, §, 43016; Vehicle Code § 27159.)

### **CASE BACKGROUND**

- (5) Corporate Entity. At all relevant times, Legend Trucking was organized under the laws of Kansas as a Domestic Limited Liability Company and conducted business in the State of California.

(6) Allegations.

- a. CARB alleges that Legend Trucking violated the HD I/M Regulation by tampering with and operating the engine for its heavy-duty vehicle, resulting in one violation, as outlined in Notice of Violation T01021324004VA. CARB alleges that if paragraphs 1 through 6 were proven, civil penalties could be imposed against Legend Trucking for each and every vehicle involved in the violation.
- b. CARB alleges that Legend Trucking violated the CTC Program by tampering with its otherwise complaint heavy duty vehicle by disconnecting the Diesel Particulate Filter and the Exhaust Gas Recirculation System, resulting in one violation, as outlined in Notice of Violation T01021324004VA. CARB alleges that if paragraphs 1 through 6 were proven, civil penalties could be imposed against Legend Trucking for each and every vehicle involved in the violation for each day of violation.
- c. Legend Trucking has not been able to demonstrate that their driver did not proceed past the Agricultural Checkpoint where the subject violation of this Settlement Agreement was detected; however, the checkpoint is inside the State of California, and therefore the subject violation is a valid violation of California law.

(7) Acknowledgment. Legend Trucking admits to the facts in paragraphs 1 through 6, but denies any liability resulting from said allegations.

(8) Consideration. In consideration of the foregoing, and of the promises and facts set forth herein, the Parties desire to settle and resolve all claims, disputes, and obligations relating to the above-listed alleged violations and voluntarily agree to resolve this matter by means of this Settlement Agreement. In order to resolve the violations described herein, Legend Trucking has taken, or agrees to take, the actions enumerated below within the Terms and Conditions. Further, CARB accepts this Settlement Agreement in termination and full settlement of this matter.

## **TERMS AND CONDITIONS**

In consideration of CARB not filing a legal action against Legend Trucking for the alleged violations referred to above in the Legal Background and Case Background, and Legend Trucking's agreement to complete all terms and conditions set forth below, CARB and Legend Trucking agree as follows:

(9) Suspended Settlement Amount. The Parties agree to a suspended penalty of forty-seven thousand three hundred sixty-three dollars (\$47,363.00 USD) for this

violation. The suspended portion shall become payable if Legend Trucking returns this vehicle or any other noncompliant vehicle to the State of California at any time in the future, or otherwise violates the Settlement Agreement terms and conditions.

- (10) Future Compliance. Legend Trucking may at its election bring this truck back into compliance and operate it in California only if the following conditions are met:
- a. Repair and maintain the vehicle in a state that complies with all applicable California laws and regulations;
  - b. Pay the outstanding NOV compliance penalty of twenty-five thousand dollars (\$25,000 USD);
  - c. Pass a referee inspection;
  - d. Enroll in the CTC Program; and
  - e. Comply with all additional CARB requirements.
- (11) Notification Date. The date upon which CARB notifies Legend Trucking according to paragraph 15 (Notices), that the Settlement Agreement is fully executed or when CARB sends the fully executed Settlement Agreement to Legend Trucking.
- (12) Civil Penalty Payment Method. If necessary, Legend Trucking shall pay the civil penalty by check, credit card, wire transfer, or portal, payable to the "California Air Resources Board," using instructions provided separately by CARB in a Payment Transmittal Form. Legend Trucking is responsible for all payment processing fees. Payments shall be accompanied by the Payment Transmittal Form to ensure proper application. CARB shall deposit the civil penalty amount into the Air Pollution Control Fund for the purpose of carrying out CARB's duties and functions to ensure the integrity of its air pollution control programs. Should payment instructions change, CARB will provide notice to Legend Trucking in accordance with paragraph 15 (Notices).
- (13) Other Relief. Legend Trucking shall return the tampered vehicle to its Original Equipment Manufacturer (OEM) configuration.
- (14) Documents. Legend Trucking shall promptly email or mail the signed and dated Settlement Agreement to the address or email in paragraph 15 (Notices).
- (15) Notices. Unless otherwise specified in this Settlement Agreement, whenever notifications, submissions, or communications are required by this Settlement Agreement, they shall be submitted in writing to the address or email below:

As to CARB:

California Air Resources Board  
Enforcement Division / Settlement Agreements  
Diesel Program Enforcement Branch/Diesel Equipment  
Enforcement Section  
P.O. Box 2815  
Sacramento, California 95812-2815  
[Settlement\\_Agreement@arb.ca.gov](mailto:Settlement_Agreement@arb.ca.gov)

As to Legend Trucking:

Legend Trucking  
c/o Trevor McDonald  
Environmental Management of KC, LLC  
861 S. 66th Terrace  
Kansas City, Kansas 66111  
Phone: (913) 287-1575  
[trevor.mcdonald@emiofkc.com](mailto:trevor.mcdonald@emiofkc.com)

Any Party may, by written notice to the other Parties, change its designated notice recipient or notice address provided above. Notices submitted pursuant to this section shall be deemed submitted upon emailing or mailing. Unless otherwise specified in this Settlement Agreement, whenever notifications, submissions, or communications are required by this Settlement Agreement, they shall be submitted in writing to the address or email below:

- (16) Repeat Violations. Legend Trucking agrees to comply with all regulatory requirements and acknowledges that repeat violations could result in increased penalties in the future.
- (17) Entirety. This Settlement Agreement constitutes the entire agreement and understanding between the Parties concerning the Case Background and supersedes and replaces any and all prior negotiations and agreements of any kind, whether written or oral, between the Parties concerning the Case Background hereof. This Settlement Agreement consists of nine pages and 35 numbered paragraphs.
- (18) Binding Effect. This Settlement Agreement binds Legend Trucking, and any principals, officers, receivers, trustees, successors and assignees, subsidiary and parent corporations and CARB and any successor agency that may have responsibility for and jurisdiction over the subject matter of this Settlement Agreement.
- (19) Effective Date. The effective date shall be the date upon which this Settlement Agreement is fully executed.

- (20) Modification and Termination. No agreement to modify, amend, extend, supersede, terminate, or discharge this Settlement Agreement, or any portion thereof, is valid or enforceable unless it is in writing and signed by all Parties to this Settlement Agreement.
- (21) Severability. Each provision of this Settlement Agreement is severable, and in the event that any provision of this Settlement Agreement is held to be illegal, invalid or unenforceable in any jurisdiction, the remainder of this Settlement Agreement remains in full force and effect.
- (22) Choice of Law. This Settlement Agreement shall be interpreted and enforced in accordance with the laws of the State of California, without regard to California's choice-of-law rules.
- (23) Non-Discharge. It is further agreed that the penalties described in this Settlement Agreement are non-dischargeable under United States Code, title 11, section 523(a)(7), which provides an exception from discharge for any debt to the extent such debt is for a fine, penalty, or forfeiture payable to and for the benefit of a governmental unit.
- (24) Rules of Construction. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in interpreting this Settlement Agreement.
- (25) Non-Waiver. The failure to enforce any provision of this Settlement Agreement shall not be construed as a waiver of any such provision, nor prevent such Party thereafter from enforcing such provision or any other provision of this Settlement Agreement. The rights and remedies granted all Parties herein are cumulative and the election of one right or remedy by a Party shall not constitute a waiver of such Party's right to assert all other legal remedies available under this Settlement Agreement or otherwise provided by law.
- (26) Intent to be Bound. The Parties represent that: They have participated fully in the review and drafting of this Settlement Agreement; understand and accept all terms; enter into this Settlement Agreement freely and voluntarily; have had an opportunity to consult with legal counsel; are fully informed of the terms and effect of this Settlement Agreement; have agreed to this Settlement Agreement after independent investigation and agree it was not arrived at through fraud, duress, or undue influence; and knowingly and voluntarily intend to be legally bound by this Settlement Agreement.
- (27) Venue. The Superior Court of California, located in the County of Sacramento, shall hear any dispute between the Parties arising from this Settlement Agreement.

- (28) Counterparts and Electronic Signatures. This Settlement Agreement may be executed in counterparts. Electronic, facsimile or photocopied signatures shall be considered as valid signatures.
- (29) Release. In consideration of all undertakings above, CARB hereby releases Legend Trucking and its principals, officers, receivers, trustees, successors and assignees, subsidiary and parent corporations, from any claims CARB may have based on the circumstances described in Paragraph 6 (Allegations) above.
- (30) Authority. The undersigned represents that he or she has full authority to enter into this Settlement Agreement.

### **PENALTY BASIS**

- (31) Per Unit Penalty. The per unit or per vehicle penalty in this case is a maximum of forty-seven thousand three hundred sixty-three dollars (\$47,363.00) per action for each day the vehicle is in violation of Health and Safety Code section 43016.
- (32) Emissions. The provisions cited in Paragraph 6 (Allegations) above do not prohibit emissions above a specified level. Without information on usage and emission rates, it is not practicable to quantify the excess emissions.
- (33) Aggravating and Mitigating Factors. The penalties in this matter were determined in consideration of all relevant circumstances, including statutory factors as described in CARB's Enforcement Policy. CARB considered whether the violator came into compliance quickly and cooperated with the investigation; the extent of harm to public health, safety and welfare; nature and persistence of the violation, including the magnitude of the excess emissions; compliance history; preventative efforts taken; innovative nature and the magnitude of the effort required to comply, and the accuracy, reproducibility, and repeatability of the available test methods; efforts to attain, or provide for, compliance prior to violation; action taken to mitigate the violation; financial burden to the violator; and voluntary disclosure. The penalties are set at levels sufficient to deter violations, to remove any economic benefit or unfair advantage from noncompliance, to obtain swift compliance, and the potential costs, risks, and uncertainty associated with litigation. Penalties in future cases might be smaller or larger depending on the unique circumstances of the case.
- (34) Confidential Business Information. CARB may have based this penalty in part on confidential business information provided by Legend Trucking or confidential settlement communications.

(35) Effect of Settlement/Reservation of Rights. The following shall apply:

- (a) This Settlement Agreement resolves the civil claims of CARB for the violations alleged in this Settlement Agreement.
- (b) CARB reserves, and this Settlement Agreement is without prejudice to, all claims, rights, and remedies against Legend Trucking with respect to all matters not expressly resolved in this Settlement Agreement. Notwithstanding any other provision of the Settlement Agreement, CARB reserves all claims, rights, and remedies, whether in law or equity, against Legend Trucking with respect to:
  - (i) Noncompliance with or enforcement of any provision of this Settlement Agreement.
  - (ii) Facts that were not disclosed by Legend Trucking to CARB.
  - (iii) Violation of the California Health and Safety Code and its implementing regulations, or other State laws, regulations, or permit condition(s) not expressly resolved in this Settlement Agreement.
  - (iv) Any imminent and substantial endangerment to the public health, welfare, or the environment in California, whether related to the violations addressed in this Settlement Agreement or otherwise.
  - (v) Any criminal liability.
  - (vi) Any claim(s) of any officer or agency of the United States or California, other than CARB.
- (c) In any subsequent administrative or judicial proceeding initiated by CARB for injunctive relief, civil penalties, or other appropriate relief relating to enforcement of the Settlement Agreement, Legend Trucking shall not assert, and may not maintain, any defense or claim based upon the principles of waiver, res judicata, collateral estoppel, issue preclusion, claim preclusion, claim-splitting, or other defenses based upon any contention that the claims raised by CARB in the subsequent proceeding were or should have been brought in the instant case.
- (d) This Settlement Agreement does not limit or affect the rights of Legend Trucking or of CARB against any third parties not covered by this Settlement Agreement, nor does it limit the rights of third parties not covered by this Settlement Agreement against Legend Trucking, except as otherwise provided by law. This Settlement Agreement shall not be construed to

create rights in, or grant any cause of action to, any third party not covered by this Settlement Agreement.

- (e) This Settlement Agreement is not a permit, or a modification of any permit, under any federal, State, or local laws or regulations. Legend Trucking is responsible for achieving and maintaining compliance with all applicable federal, State, and local laws, regulations, and permits; Legend Trucking's compliance with this Settlement Agreement shall not be a defense to any action commenced pursuant to any such laws, regulations, or permits. CARB does not, by its execution of this Settlement Agreement, warrant or aver in any manner that Legend Trucking's compliance with any aspect of this Settlement Agreement will result in compliance with any provisions of federal, State, or local laws, regulations, or permits.

ACKNOWLEDGED AND ACCEPTED BY:

**California Air Resources Board**

Signature: /S/

Name: Heather L. Quiros

Title: Chief, Enforcement Division

Date: January 30, 2025

**Legend Trucking, LLC**

Signature: /S/

Name: William Head

Title: Owner

Date: December 5, 2024

**Queen Trucking, LLC**

Signature: /S/

Name: Bryan Queen

Title: Owner

Date: December 20, 2024