

MAYOR AND CITY COUNCIL
OF BALTIMORE

Plaintiff,

v.

BP P.L.C., *et al.*

Defendants.

* IN THE
* CIRCUIT COURT
* FOR BALTIMORE CITY
* Case No. 24-C-18-004219
* Specially Assigned to the
* Hon. Videtta A. Brown
*

* * * * *

**PLAINTIFF MAYOR AND CITY COUNCIL OF BALTIMORE'S
MEMORANDUM OF LAW IN OPPOSITION TO DEFENDANTS
CROWN CENTRAL LLC'S AND CROWN CENTRAL NEW HOLDINGS LLC'S
MOTION TO DISMISS FOR FAILURE TO STATE A CLAIM**

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I. Introduction

The Mayor and City Council of Baltimore (the “City”) amply states claims against Crown Central LLC and Crown Central New Holdings, LLC (collectively, “Crown Central”)¹ as explained in the City’s opposition to Defendants’ Joint Motion to Dismiss for Failure to State a Claim (“Opposition”).² Opp. at Parts IV.D.1–IV.D.5.

Crown Central’s limited additional arguments change nothing. *First*, Crown Central exaggerates the scope of Maryland’s particularity pleading requirement. Only the subset of the City’s Maryland Consumer Protection Act (“MCPA”) claim that alleges fraud as a predicate is subject to a particularity requirement, which the City sufficiently alleges. *Second*, Crown Central misunderstands the City’s allegations and incorrectly argues the City cannot “impute the alleged statements or conduct of other defendants to the Crown Entities,” Mot. at 2. The Complaint adequately alleges Crown Central failed to disclose and knowingly omitted material facts about the climatic risks of its automobile fuels from consumers. And because the Crown Central entities and their predecessors in interest acted in concert with other Defendants to advance their shared campaign of deception, Crown Central is jointly liable for those Defendants’ misrepresentations, and other tortious and unlawful conduct, in furtherance of that campaign. *Third*, the Court should credit the Complaint’s allegations that establish the timeliness of the City’s claims. Crown Central’s contrary arguments fail to accept the Complaint as pleaded and ask the Court to invade the jury’s province by resolving factual disputes on mere pleadings. The Motion should be denied.

II. Crown Central Misstates the Particularity Pleading Requirement, Which the City Amply Satisfies Anyway.

Crown Central first argues the City has not pleaded fraud with particularity and implies

¹ For purposes of the Complaint, “Crown Central” includes Crown Central LLC; Crown Central New Holdings, LLC; Crown Central Petroleum Corporation; and their predecessors, successors, parents, subsidiaries, affiliates, and divisions. Compl. ¶ 21(b).

² The City incorporates by reference all arguments it asserts in its Opposition as if fully set forth herein.

that this purported shortcoming requires dismissal of all the City's claims. *See* Mot. at 5–6. That argument is misleading. Only the subset of the City's MCPA claim seeking relief under Md. Code Ann., Com. Law § 13-301(9)³ must be pleaded with particularity, which the City has done.

A. Only a Subset of the City's MCPA Claim Is Subject to a Particularity Pleading Requirement.

Maryland's particularity pleading requirement for fraud is a “judge-made gloss on the general rules of pleading.” *See McCormick v. Medtronic, Inc.*, 219 Md. App. 485, 528 (2014). It applies only where a plaintiff seeks “relief on the ground of fraud,” *see Thomas v. Nadel*, 427 Md. 441, 453 (2012) (quoting *Spangler v. Sprosty Bag Co.*, 183 Md. 166, 173 (1944)), meaning fraud is “[t]he basis of . . . the relief sought,” *Spangler*, 183 Md. at 173.⁴ Maryland courts have not applied the particularity pleading requirement to nuisance, trespass, or products liability claims like the City's, which do not include fraud as a necessary element, and Crown Central cites no such case. The City's tort claims are not subject to any heightened pleading standard.

In addition to its tort claims, the City brings an MCPA claim under multiple theories. Maryland courts have applied particularity pleading to certain MCPA claims, but only where the claim “replicates common-law fraud.” *See McCormick*, 219 Md. App. at 529. Specifically, particularity pleading applies to an MCPA claim only to the extent it relies on § 13-301(9), which includes fraud as an element and thus “replicates common-law” fraud. *See McCormick*, 219 Md. App. at 529. “Under other provisions of the act, however, a party can allege an ‘unfair and

³ That provision prohibits “Deception, fraud, false pretense, false premise, misrepresentation, or knowing concealment, suppression, or omission of any material fact with the intent that a consumer rely on the same . . .” *Id.* § 13-301(9).

⁴ Maryland's judge-made particularity pleading requirement differs from Federal Rule of Civil Procedure 9(b)'s particularity pleading requirement, which some courts have interpreted as extending beyond claims that require showing fraud as an element. *See, e.g., Cozzarelli v. Inspire Pharms. Inc.*, 549 F.3d 618, 629 (4th Cir. 2008).

deceptive trade practice’ without replicating a claim for common-law fraud,” including under §§ 13-301(1) or 13-301(3),⁵ which do not include fraud as an element. *See id.* at 529–30.

The City alleges non-fraudulent MCPA violations under §§ 13-301(1) and 13-301(3)⁶ based on Crown Central’s statements, representations, and/or omissions that had the effect, capacity, and/or tendency to deceive; as well as violations under § 13-301(9) based on Crown Central’s deliberate deception with the specific intent to induce consumer reliance. *See* Compl. ¶ 292. Under controlling precedent, only the subset of the City’s MCPA claim based on § 13-301(9) is even arguably subject to particularity pleading. *See McCormick*, 219 Md. App. at 529.⁷

B. The City Meets the Particularity Pleading Requirement for Its Section 13-301(9) MCPA Claim.

The City sufficiently pleads its MCPA claim based on § 13-301(9) by exhaustively describing the multi-decade campaign in which Crown Central participated. The Maryland Supreme Court’s decision in *Lloyd v. General Motors Corp.*, 397 Md. 108, 150–54 (2007), is

⁵ *Id.* § 13-301(1) (“False, falsely disparaging, or misleading oral or written statement, visual description, or other representation of any kind which has the capacity, tendency, or effect of deceiving or misleading consumers.”); *id.* § 13-301(3) (“Failure to state a material fact if the failure deceives or tends to deceive.”).

⁶ Although the Complaint expressly refers only to §§ 13-301(1) and 13-301(9), *see* Compl. ¶ 292, the Complaint also states a violation of § 13-301(3). Specifically, the Complaint alleges that the climatic risks of fossil fuel products are material to Maryland consumers, *see id.* ¶¶ 295–96, and that Crown Central and other Defendants failed to warn of their products’ climatic risks while marketing and selling those products, *see id.* ¶¶ 141–70, 241, 274, which has deceived consumers, *id.* ¶ 170. These allegations state a § 13-301(3) claim against Crown Central and other Defendants. *See Tavakoli-Nouri v. State*, 139 Md. App. 716, 730 (2001) (“The critical inquiry is not whether the complaint specifically identifies a recognized theory of recovery, but whether it alleges specific facts that, if true, would justify recovery under any established theory.”).

⁷ The cases Crown Central cites to support its heightened pleading standards argument are inapposite. *See* Mot. at 5–6; *Bezmenova v. Ocwen Fin. Corp.*, 2013 WL 1316445, at *1, *3–4 (D. Md. Mar. 27, 2013) (in direct conflict with *McCormick*, the district court applied Fed. R. Civ. P. 9(b)’s heightened pleading standard to plaintiff’s “material misrepresentation claims” under the MCPA without acknowledging or differentiating between the act’s subsections and despite the plaintiff not specifying the provisions under which she was proceeding); *Jackson v. South Holland Dodge, Inc.*, 755 N.E.2d 462 (Ill. 2001) (analyzing private cause of action claims under the Illinois’ Consumer Fraud and Deceptive Business Practices Act which has a different particularity requirement than under the MCPA or *McCormick*); *Psensky v. Am. Honda Fin. Corp.*, 875 A.2d 290, 291–96 (N.J. Super. Ct. App. Div. 2005) (affirming dismissal where plaintiff brought state law claims against assignee of an installment contract he entered to purchase a car, not because plaintiff failed to plead with sufficient particularity under New Jersey law, but because the federal Truth in Lending Act preempts certain state law claims and plaintiff did not assert that the assignee directly participated in the fraud, which is not preempted); *Margolis v. Sandy Spring Bank*, 221 Md. App. 703, 722 n.11 (2015) (noting that claims asserted under § 13-301(9) require pleading with particularity).

instructive. *Lloyd* involved an MCPA claim alleging automakers engaged in a multi-decade effort to fraudulently conceal the dangers of defective car seatbacks. *Id.* The court found particularity pleading satisfied because plaintiffs alleged that defendants “ha[d] known the risk of injury,” provided “facts that support that assertion,” and alleged that defendants had “engaged in a 30-year cover-up of the product malfunction.” *Id.* at 153–54 & n.21. The court did not require greater precision. As explained, the City’s allegations are equally or more robust than those in *Lloyd*.

The Complaint extensively details Crown Central’s and other Defendants’ long-running campaigns to deny and spread disinformation about the connection between their fossil fuel products and climate change. *See* Compl. ¶¶ 141–70, 190. Crown Central for many years owned gas stations throughout Maryland, and every sale of automobile fuels at those stations concealed, omitted, and failed to disclose material facts about its products’ climatic risks, with the intent that consumers rely on those omissions in continuing to buy Crown Central’s products. *See id.* ¶¶ 21(a), 21(c), 140–70, 237–48, 270–81, 291–98. The City and other consumers relied on Crown Central and other Defendants’ statements and omissions in purchasing more fossil fuels than they otherwise would have, *id.* ¶¶ 140–70, 295–98, which increased greenhouse gas emissions and exacerbated climate change, *id.* ¶ 179–82, causing the City severe injuries and corresponding costs, *see id.* ¶¶ 5–10, 179–82, 190–217, 298.

These allegations suffice to allege that Crown Central violated the MCPA. Crown Central’s failure to disclose material facts about its automobile fuels’ climate-related risks, which deceived the City and other consumers, *see* Compl. ¶¶ 170, 296, qualifies as an unfair, abusive, or deceptive trade practice under § 13-301(3).⁸ Crown Central’s knowing concealment and omission of the risks

⁸ *See Proctor v. Am. Offshore Powerboats, LLC*, 2005 WL 8174466, at *2 (D. Md. Feb. 8, 2005) (denying motion to dismiss claim alleging “failure to disclose [a] powerboat’s defects and associated risks” in violation of § 13-301(3)).

of its automobile fuels, intended to induce consumers to keep buying those products, *see* Compl.

¶¶ 102, 170, 291–98, qualify as violations of § 13-301(9).⁹

III. The City Alleges Actionable Misrepresentations and Omissions Attributable to Each Crown Central Defendant.

Crown Central additionally asserts that the Complaint “lacks *any* specific allegation that a Crown Entity made a statement,” and thus cannot state any claims against Crown Central. Mot. at 6–7. That argument is incorrect on its own terms, and misunderstands the City’s allegations more broadly. *First*, the Complaint adequately alleges that Crown Central withheld material facts concerning the climatic risks of its consumer automobile fuels from consumers. *Second*, the Complaint alleges Crown Central and other Defendants together disseminated disinformation, describes Crown Central’s relationship to this coordinated campaign, and identifies misrepresentations attributable to Crown Central under a concert-of-action theory.

A. Crown Central Failed to Warn Consumers at Its Maryland Service Stations of The Known Dangers Its Products Present.

To begin, Crown Central LLC’s predecessor in interest Crown Central Petroleum Corporation (“Crown Central Petroleum”),¹⁰ owned and at times operated hundreds of retail

⁹ *See Lloyd*, 397 Md. at 150–54 (claim stated under § 13-301(9) based on allegations that automakers knew the risk of injury but “engaged in a 30-year cover-up of the product malfunction” and “concealed” that defect); *Doll v. Ford Motor Co.*, 814 F. Supp. 2d 526, 545–46, 548 (D. Md. 2011) (MCPA claim stated with allegations that defendant “concealed, suppressed, and omitted material facts regarding the inherent defect,” “knew the vehicles were defective[,] and intended for the Plaintiffs to rely on its concealment of th[o]se material facts, thereby misleading its customers”).

¹⁰ Crown Central Petroleum merged with Crown Central LLC in 2005, as recorded in Articles of Merger submitted to the Maryland Secretary of State. *See generally* Crown Central Petroleum Corp. & Crown Central LLC, Articles of Merger (March 2, 2005) (attached as Ex. 1), available at <https://egov.maryland.gov/BusinessExpress/EntitySearch> (search by Department ID “D00077669,” access search result for “Crown Central Petroleum Corporation,” then navigate to “Filing History” tab and click to download “Articles of Merger” document dated March 2, 2005). The City also requests that the Court take judicial notice of the fact that Crown Central Petroleum and Crown Central LLC merged in 2005. This is a properly noticeable adjudicative fact not subject to reasonable dispute because it is “capable of accurate and ready determination by resort to sources whose accuracy cannot reasonably be questioned,” Md. R. Evid. 5-201, i.e., these Defendants’ own submission to the Maryland Secretary of State. *See Dashiell v. Meeks*, 396 Md. 149, 175 n.6 (2006) (noticeable adjudicative facts include “facts about the parties and their activities, businesses and properties” (cleaned up)). A successor entity can be liable for the conduct of an acquired predecessor where “the transaction amounts to a consolidation or merger.” *Martin v. TWP Enters. Inc.*, 227 Md. App. 33, 50 (2016) (cleaned up).

service stations throughout Maryland, at which it marketed and sold gasoline and other fossil fuel products. *See* Compl. ¶ 21(c). Crown Central Petroleum’s Form 10-K submitted to the SEC for the year 2000 indicates that the company “maintain[ed] 102 dealer-operated” service stations in Maryland in that year, at which “a dealer lease[d] the facility from the Company and purchase[d] and res[old] Crown-branded motor fuel and related products,” subject to “certain operating standards” imposed by the Dealer Agreement between the dealer and Crown Central Petroleum.¹¹ In marketing and selling its automobile fuels, Crown Central, like other Defendants, failed to disclose, and knowingly misrepresented, concealed, and omitted, material facts about its products’ severe climatic risks,¹² with the intent that consumers rely on such misstatements and omissions in continuing to buy its products. *See id.* ¶¶ 140–70, 295–96. Crown Central and other Defendants’ misleading and deceptive conduct deceived the City and other consumers about the severe risks of using fossil fuels, *see id.* ¶ 170, resulting in expanded use of fossil fuels and delayed action on climate change that have exacerbated the City’s climate-related injuries and the costs of mitigating them, *see id.* ¶¶ 179–80, 190–217, 298.

Those allegations—taken as true and with reasonable inferences drawn in the City’s favor, *see Wheeling v. Selene Finance LP*, 473 Md. 356, 374 (2021)—fully satisfy Maryland Rule 2-

¹¹ *See* Crown Central Petroleum Corp., Form 10-K at 6 (2000) (relevant excerpt attached as Ex. 2), <https://www.sec.gov/Archives/edgar/data/25885/000002588501000019/0000025885-01-000019-0001.txt>. The City also requests that the Court take judicial notice of the quoted facts, which are properly noticeable adjudicative facts not subject to reasonable dispute because they are listed in Crown Central Petroleum’s own submissions to the SEC. *See In re Humphrey Hosp. Tr., Inc. Sec. Litig.*, 219 F. Supp. 2d 675, 686 n.7 (D. Md. 2002) (“[T]he Court may take judicial notice of Defendants’ trading reports filed with the SEC.”).

¹² Crown Central and other Defendants have known or been on notice of these risks since at least the 1960s, *see* Compl. ¶¶ 103–04, in part by virtue of their membership in the American Petroleum Institute (“API”), *see id.* ¶¶ 107–08 (describing scientific reports prepared for API in 1968 and 1969 describing role of fossil fuels in contributing to global warming and how “the potential damage to our environment could be severe,” which were made available to API’s members); *see also id.* ¶ 31(a) (Crown Central and/or its predecessors have been API members at relevant times).

305's requirement to provide a "clear statement of the facts" underlying the City's theories of liability based on failure to warn.¹³

B. The City's Allegations Link Crown Central to Misrepresentations Under a Concert-of-Action Theory.

In addition to Crown Central's failure to warn, the Complaint alleges Crown Central's participation in Defendants' broader disinformation efforts and identifies specific instances of disinformation attributable to Crown Central under a concert-of-action theory. Maryland has long "recognized joint and several liability for 'true' joint tortfeasors, defined as tortfeasors who act in concert," *Consumer Protection Division v. Morgan*, 387 Md. 125, 177 (2005), including when persons "concurred in making [a tortious] misrepresentation," *Purdum v. Edwards*, 155 Md. 178 (1928). To define concert-of-action, the Maryland Supreme Court has "repeatedly cited Professor William Prosser's scholarship, including for the rule that "[t]hose who actively participate in the wrongful act, by cooperation or request, or who lend aid, encouragement or countenance to the wrongdoer, or approval to his acts done for their benefit, are equally liable with him.'" *Morgan*, 387 Md. at 178 (quoting William L. Prosser, *Joint Torts and Several Liability*, 25 Calif. L. Rev. 413, 429–30 (1936)). "'Express agreement is not necessary; all that is required is that there shall be a common design or understanding.'" *Id.* (quoting Prosser, 25 Calif. L. Rev. at 430). The Court also has relied on Restatement (Second) of Torts § 876 (1979), which includes

¹³ Crown Central also argues that the City may not make collective allegations, but none of Crown Central's cited cases proscribe such pleadings. Mot. at 7–8; *Heritage Harbour, L.L.C. v. John J. Reynolds, Inc.*, 143 Md. App. 698, 711 (2002) (dismissal upheld where complaint lacked "any mention of" eight of twenty defendants, and the only allegation that could possibly pertain to those eight defendants was that all twenty "we[re] developers, architects and/or contractors who participated in the design, construction, evaluation and/or repair of" defective buildings); *Samuels v. Tschechtelin*, 135 Md. App. 483, 496, 528–29 (2000) (affirming dismissal of claims against individual university trustees where there were no allegations showing their involvement in the plaintiff's allegedly wrongful termination); *Wells v. State*, 100 Md. App. 693, 703 (1994) (to assess whether the plaintiff pleaded a wanton or willful state of mind for multiple defendants, "examin[ing] what each is charged with doing or failing to do," and finding the thin allegations insufficient); *SD3, LLC v. Black & Decker (U.S.) Inc.*, 801 F.3d 412, 423 (4th Cir. 2015) (in asserting Section 1 violations of the Sherman Antitrust Act, plaintiff may not rely on "indeterminate assertions against all defendants" (quotation omitted)).

within concert-of-action instances where a defendant “does a tortious act in concert with the other or pursuant to a common design with him” or “knows that the other’s conduct constitutes a breach of duty and gives substantial assistance or encouragement” nonetheless. *Morgan*, 387 Md. at 184–85.

The City’s allegations against Crown Central support joint liability on a concert of action theory. The Complaint alleges Crown Central acted in concert with other Defendants, *see* Compl. ¶¶ 147, 219, 242, 254, 275, through its participation in API. Crown Central and its predecessors have been API members at times relevant to the litigation. *Id.* ¶ 31(a). Crown Central LLC has in fact held leadership positions within API through its predecessor’s chief executive. In an affidavit submitted in connection with a wrongful death case, Crown Central Petroleum’s board chairman and chief executive officer indicated he was personally involved with API in 1987. *See Crown Cent. Petroleum Corp. v. Garcia*, 904 S.W.2d 125, 126 & n.3 (Tex. 1995). As alleged in the Complaint, Crown Central’s and other Defendants’ efforts to mislead consumers and the public, in concert with API, intensified in the 1980s. *See* Compl. ¶¶ 120–21, 126, 131–40, 159, 162–65.

API has played a vital role in Crown Central’s and other Defendants’ campaign of deception and denial. *See id.* ¶¶ 31, 154, 158–59, 162–67. For example, in 1996, API “published an extensive report . . . warning against concern over [] buildup” of greenhouse gases “and any need to curb consumption” of fossil fuels, and “den[ying] the human connection to climate change.” *Id.* ¶ 154. API also developed a multi-million-dollar Global Climate Science Communications Plan with the express aim of convincing “average citizens” to “recognize[] uncertainties in climate science.” *Id.* ¶ 158. API’s false and misleading statements and misrepresentations about climate change and its connection to fossil fuel use had the capacity to deceive consumers, and were *intended* to do so, and therefore plausibly qualify as violations of

MCPA §§ 13-301(1) and 13-301(9). API engaged in such misrepresentations on behalf of Defendants, including Crown Central, *see* Compl. ¶ 31, and Crown Central has participated in API's misleading message through its membership in API, *id.* ¶ 31(a).

Taking the Complaint's allegations as true and drawing reasonable inferences in the City's favor, Crown Central acted in concert with other Defendants and API by funding, encouraging, ratifying, and otherwise aiding API's knowingly false and misleading conduct, and is thus jointly liable for MCPA violations committed with and through API.

IV. The City's MCPA Claim Is Timely.

Crown Central says the City's allegations do not establish any actionable statements within the three-year statute of limitations applicable to the MCPA claim. Mot. at 6–7. As discussed in the City's Opposition, *see* Opp. at Part IV.D.5.a, Defendants' fraudulent concealment tolled the limitations period until the City reasonably could have discovered the bases for its MCPA claim.

Under Maryland's discovery rule, "a claim accrues when the plaintiff knew or reasonably should have known of the wrong," i.e., "the operative facts giving rise to the cause of action." *Cain v. Midland Funding, LLC*, 475 Md. 4, 35, 37 (2021) (cleaned up). However, under the fraudulent concealment doctrine, if an adverse party's fraud keeps the plaintiff from gaining knowledge of the cause of action, then "the cause of action shall be deemed to accrue at the time when the party discovered, or by the exercise of ordinary diligence should have discovered the fraud." *Doe v. Archdiocese of Wash.*, 114 Md. App. 169, 186–87 (1997) (quoting Md. Code Ann., Cts. & Jud. Proc. § 5-203); *see also Mathews v. Cassidy Turley Md., Inc.*, 435 Md. 584, 617–18 (2013). Determining when the plaintiff should have discovered the cause of action "is inevitably a fact-intensive inquiry" and "ordinarily . . . to be determined by the factfinder, typically a jury." *Mathews*, 435 Md. at 618, 620–21 (reversing grant of summary judgment because whether

defendant's fraudulent concealment tolled the statute of limitations was a jury question); *see also Geisz v. Greater Balt. Med. Ctr.*, 313 Md. 301, 305, 317, 333–34 (1988) (similar because it was a jury question of fact when plaintiff should have discovered the claim).

Because Crown Central fraudulently concealed its MCPA violations, the City could not have discovered the full basis of its claim within the limitations period. The Complaint alleges Crown Central and other Defendants deployed sophisticated deception tactics and “deliberately obscured” their involvement in the campaigns of deception by relying on nominally independent activist groups that Defendants in fact funded and controlled, think tanks, “fringe” scientists, and trade associations to deploy climate denial and disinformation on their behalf. Compl. ¶¶ 162, 166–67; *see also id.* ¶¶ 31, 150–68. Defendants’ role in funding such third parties—directly or “through Defendant-funded organizations like API”—was often undisclosed. *Id.* ¶ 162. These covert tactics ensured that outside observers like the City would view the disinformation and deception as coming from unconnected neutral sources, rather than Defendants.

Defendants’ affirmative acts to promote disinformation, conceal their knowledge about their products’ harms, and cast doubt on the scientific consensus—and covering their tracks through the extensive use of third party surrogates—“kept the [City] in ignorance of” its MCPA claim. *See Doe*, 114 Md. App. at 187. It is for a jury to decide when, in light of Crown Central and other Defendants’ fraudulent concealment of their own knowledge and deceptive conduct, the City reasonably could have discovered the essential facts underpinning its MCPA claim against Crown Central. *See Mathews*, 435 Md. at 618, 620–21.

V. Conclusion

For these reasons, the Court should deny the Motion. If the Court finds the allegations deficient in any regard, the City respectfully requests leave to amend. *See* Md. Rule 2-341.

Dated: December 12, 2023

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on this 12th day of December 2023, a copy of the *Mayor and City Council of Baltimore's Memorandum of Law in Opposition to Defendants' Crown Central LLC's and Crown Central New Holdings LLC's Motion to Dismiss for Failure to State a Claim* was served upon all counsel of record via email (by agreement of the parties).

/s/ Matthew K. Edling

Matthew K. Edling

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CIVIL DIVISION

EXHIBIT 1

CORPORATE CHARTER APPROVAL SHEET

**** EXPEDITED SERVICE ****

**** KEEP WITH DOCUMENT ****

DOCUMENT CODE 11 BUSINESS CODE _____

Close _____ Stock _____ Nonstock _____

P.A. _____ Religious _____

Merging (Transferor) Crown Central

Petroleum Corporation

D00077669

Surviving (Transferee) Crown Central LLC

W10481091



1000361891015565

ID #: W10481091 ACK #: 1000361891015565
LIBER: 000789 FOLIO: 0015 PAGES: 0005
CROWN CENTRAL LLC

03/02/2005 AT 02:01 P MO N 0001019458

New Name _____

FEES REMITTED

Base Fee: 100

Org. & Cap. Fee: _____

Expedite Fee: 50

Penalty: _____

State Recordation Tax: _____

State Transfer Tax: _____

Certified Copies _____

Copy Fee: _____

Certificates _____

Certificate of Status Fee: _____

Personal Property Filings: _____

Other: _____

TOTAL FEES: 150

Credit Card _____ Check _____ Cash _____

Documents on _____ Checks _____

Approved By: 9

Keyed By: 1

COMMENT(S): _____

Change of Name
Change of Principal Office
Change of Resident Agent
Change of Resident Agent Address
Resignation of Resident Agent
Designation of Resident Agent
and Resident Agent's Address
Change of Business Code

Adoption of Assumed Name _____

Other Change(s) _____

Code 113

Attention: Cecil Martin

MCGUIRE WOODS BATTLE & BOOTH LLP
STE 1000
7 SAINT PAUL ST
BALTIMORE

MD 21202-1628

CUST ID: 0001576428
WORK ORDER: 0001019458
DATE: 03-02-2005 02:01 PM
AMT. PAID: \$175.00

ARTICLES OF MERGER
Between
CROWN CENTRAL PETROLEUM CORPORATION
(a Maryland corporation)
and
CROWN CENTRAL LLC
(a Maryland limited liability company)

Crown Central Petroleum Corporation, a corporation duly organized and existing under the laws of the State of Maryland ("CCPC"), and Crown Central LLC, a limited liability company duly organized and existing under the laws of the State of Maryland ("LLC"), do hereby certify that:

FIRST: CCPC and LLC agree to merge.

SECOND: The names of each party to these Articles are Crown Central Petroleum Corporation, a Maryland corporation, and Crown Central LLC, a Maryland limited liability company. LLC shall survive the merger as the successor entity and shall continue under the name Crown Central LLC as a limited liability company organized under the laws of the State of Maryland.

THIRD: Both CCPC and LLC have their principal offices in the State of Maryland in Baltimore City. CCPC owns an interest in land located in Harford County. LLC does not own an interest in land located in the State of Maryland.

FOURTH: The terms and conditions of the transaction set forth in these Articles were advised, authorized, and approved by each party to the Articles in the manner and by the vote required by its Articles of Incorporation and Articles of Organization, respectively, and the laws of the place where it is organized. The manner of approval was as follows:

(a) The Board of Directors of CCPC, by action taken at a meeting of the Board of Directors on February 24, 2005, and filed with the minutes of proceedings of the Board of Directors, adopted a resolution which declared that the proposed merger was advisable on substantially the terms and conditions set forth or referred to in the resolution, and approved the proposed merger with LLC and directed that it be submitted to the sole shareholder for consideration. The sole shareholder of CCPC, by written consent dated March 1, 2005, signed by the sole shareholder of CCPC and filed with the minutes of proceedings of the shareholders, adopted a resolution which approved the proposed merger with LLC.

(b) The sole member of LLC, by written consent dated March 1, 2005, signed by the sole member of LLC, adopted a resolution which declared that the proposed merger was advisable on substantially the terms and conditions set forth or referred to in the resolution and approved the proposed merger with CCPC.

FIFTH: No amendment to the Articles of Organization of LLC is to be effected as a part of the merger. The merger does not reclassify or change the terms of any class or series of outstanding

interests of LLC.

SIXTH: The total number of shares of capital stock or percentages of membership interests of all classes which CCPC or LLC, respectively, has authority to issue, the number of shares or interests of each class which CCPC or LLC, respectively, has authority to issue, and the par value of the shares of each class which CCPC has authority to issue are as follows:

(a) The total number of shares of stock of all classes which CCPC has authority to issue is ten (10) shares, all constituting shares of common stock, \$5.00 par value per share. The aggregate par value of all shares of all classes is \$50.00.

(b) The total percentage of membership interests of all classes which LLC has authority to issue is one hundred percent (100%) of membership interests, of which there is a single class.

SEVENTH: The merger does not change the authorized membership interests of LLC and the Articles of Organization are not amended in any manner that changes any of the information required by paragraphs (2) through (5) of subsection 3-109(c) of the Maryland General Corporation Law.

EIGHTH: The manner and basis of converting or exchanging issued shares of the merging entities into different stock of a corporation, for other consideration, and the treatment of any issued stock of the merging corporations not to be converted or exchanged are as follows:

(a) Each issued and outstanding membership interest of LLC on the effective date of the merger shall continue, without change as to class, series, or otherwise, to be an issued and outstanding membership interest of LLC.

(b) Each share of CCPC's common stock issued and outstanding immediately prior to the merger shall be converted into shares of common stock, par value \$5.00 per share, of Crown Central Holdings, Inc., a Delaware corporation, on a one-for-one (1:1) basis.

(c) The shares of common stock of Crown Central Holdings, Inc. held by CCPC prior to the merger shall be canceled and cease to exist.


(d) As soon as practicable following the effective time of the merger, the holder of all of the issued and outstanding shares of common stock of CCPC shall be entitled to surrender to Crown Central Holdings, Inc. the certificates representing the shares of common stock of CCPC held by such holder immediately prior to the effective time of the merger, and, upon such surrender, shall be entitled to receive in exchange therefor a certificate or certificates representing the number of shares of common stock of Crown Central Holdings, Inc. deliverable in respect thereof.

NINTH: The merger shall become effective upon acceptance for record by the Maryland State Department of Assessments and Taxation of these Articles of Merger.

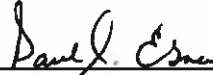
[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Crown Central Petroleum Corporation and Crown Central LLC have caused these presents to be signed in their respective names and on their respective behalves by their respective presidents and witnessed by their respective secretaries on March 1, 2005.


WITNESS:


Name: Andrew Lapayokwer
Secretary

CROWN CENTRAL PETROLEUM CORPORATION
a Maryland corporation

By 
Name: Paul J. Ebner
Title: President


WITNESS:


Name: Andrew Lapayowker
Secretary

Crown Central LLC
a Maryland limited liability company

By 
Name: Paul J. Ebner
Title: President and Authorized Person

THE UNDERSIGNED, President of Crown Central Petroleum Corporation, who executed on behalf of the Corporation the foregoing Articles of Merger of which this certificate is made a part, hereby acknowledges in the name and on behalf of said Corporation the foregoing Articles of Merger to be the corporate act of said Corporation and hereby certifies that to the best of his knowledge, information, and belief the matters and facts set forth therein with respect to the authorization and approval thereof are true in all material respects under the penalties of perjury.


Name: Paul J. Ebner, President

THE UNDERSIGNED, President and Authorized Person of Crown Central LLC, who executed on behalf of the Company the foregoing Articles of Merger of which this certificate is made a part, hereby acknowledges in the name and on behalf of said Company the foregoing Articles of Merger to be the company act of said Company and hereby certifies that to the best of his knowledge, information, and belief the matters and facts set forth therein with respect to the authorization and approval thereof are true in all material respects under the penalties of perjury.



Name: Paul J. Ebner, President and Authorized Person

EXHIBIT 2

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<SEQUENCE>1
<FILENAME>0001.txt
<DESCRIPTION>CROWN CENTRAL PETROLEUM CORPORATION--10-K405
<TEXT>

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

☐ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]
For the fiscal year ended DECEMBER 31, 2000

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]
For the transition period from ----- to -----

Commission File Number 1-1059

CROWN CENTRAL PETROLEUM CORPORATION
(Exact name of registrant as specified in its charter)

MARYLAND
(State or other jurisdiction of incorporation or organization)

52-0550682
(I.R.S. Employer Identification Number)

ONE NORTH CHARLES STREET
BALTIMORE, MARYLAND
(Address of principle executive offices)

21201
(Zip Code)

Registrant's telephone number, including area code: (410) 539-7400

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT: NONE

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT: NONE

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. YES X NO

There were no voting or non-voting common equity securities held by non-affiliates of the registrant on March 7, 2001; and, therefore, there was no aggregate market value for such securities on that date.

The number of shares outstanding at March 7, 2001 of the registrant's \$5 par value Common Stock was one share, which is owned by Rosemore, Inc., a privately held Maryland corporation.

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CROWN CENTRAL PETROLEUM CORPORATION
AND SUBSIDIARIES

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PART I

FACTORS AFFECTING FORWARD-LOOKING STATEMENTS

This Annual Report contains certain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts included in this Annual Report on Form 10-K, including without limitation those under "Liquidity and Capital Resources", "Additional Factors that May Affect Future Results" and under "Management's Discussion and Analysis of Financial Condition and Results of Operations" regarding the Company's financial position and results of operations, are forward-looking statements. Such statements are subject to certain risks and uncertainties, such as changes in prices or demand for the Company's products as a result of competitive actions or economic factors, changes in the cost of crude oil, changes in operating costs resulting from new refining technologies, increased regulatory burdens or inflation, and the Company's ability to continue to have access to capital markets and commercial bank financing on favorable terms. Should one or more of these risks or uncertainties, among others as set forth in this Annual Report on Form 10-K for the year ended December 31, 2000, materialize, actual results may vary materially from those estimated, anticipated or projected. Although the Company believes that the expectations reflected by such forward-looking statements are reasonable based on information currently available to the Company, no assurances can be given that such expectations will prove to have been correct. Cautionary statements identifying important factors that could cause actual results to differ materially from the Company's expectations are set forth in this Annual Report on Form 10-K for the year ended December 31, 2000, including without limitation in conjunction with the forward-looking statements included in this Annual Report on Form 10-K that are

RETAIL OPERATIONS

OVERVIEW

The Company traces its retail marketing history to the early 1930's when it operated a retail network of 30 service stations in the Houston, Texas area. It began retail operations on the East Coast in 1943. The Company has been recognized as an innovative industry leader and, in the early 1960's, pioneered the multi-pump retailing concept which has since become an industry standard in the marketing of gasoline.

As of December 31, 2000, the Company had 330 retail locations. Of these 330 units (202 owned and 128 leased), the Company directly operated 228 and independent dealers operated the remainders. The Company conducts its operations in Maryland through an independent dealer network as a result of legislation that prohibits refiners from operating gasoline stations in Maryland. The Company believes that the high proportion of Company-operated units enables it to respond quickly and uniformly to changing market conditions.

While most of the Company's units are located in or around major metropolitan areas, its sites are generally not situated on major interstate highways or inter-city thoroughfares. These off-highway locations primarily serve local customers and, as a result, the Company's retail marketing unit volumes are not as highly seasonal or dependent on seasonal vacation traffic as locations operating on major traffic arteries. The Company is one of the largest independent retail marketers of gasoline in its

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core retail market areas within Maryland, Virginia and North Carolina. The Company has a geographic concentration of retail locations in high growth areas such as the metropolitan Baltimore, Maryland and Washington, D.C. area, Tidewater and Richmond, Virginia, Raleigh and Charlotte, North Carolina and Columbus, Georgia. The Company's three highest volume core markets are Baltimore, the suburban areas of Maryland and Virginia surrounding Washington, D.C., and the greater Norfolk, Virginia area.

RETAIL UNIT OPERATIONS

The Company conducts its retail marketing operations through three basic store formats: convenience stores, mini-marts and gasoline stations. At December 31, 2000, the Company had 77 convenience stores, 150 mini-marts and 103 gasoline stations.

The Company's convenience stores operate primarily under the name Fast Fare. These units generally contain 1,500 to 2,800 square feet of retail space and typically provide gasoline and a variety of convenience store merchandise such as tobacco products, beer, wine, soft drinks, coffee, snacks, dairy products and baked goods.

The Company's mini-marts generally contain up to 600 to 1,500 square

feet of retail space and typically sell gasoline and much of the same merchandise as at the Company's convenience stores. The Company has installed lighted canopies that extend over the multi-pump fuel islands at most of its locations. This provides added security and protection from the elements for customers and employees.

The Company's gasoline stations generally contain up to 100 square feet of retail space in an island kiosk and typically offer gasoline and a limited amount of merchandise such as tobacco products, candies, snacks and soft drinks.

The Company's units are brightly decorated with its trademark signage to create a consistent appearance and encourage customer recognition and patronage. The Company believes that consistency of brand image is important to the successful operation and expansion of its retail marketing system. In all aspects of its retail marketing operations, the Company emphasizes quality, value, cleanliness and friendly and efficient customer service.

While the Company derives approximately 81% of its retail revenue from the sale of gasoline, it also provides a variety of merchandise and other services designed to meet the non-fuel needs of its customers. Sales of these additional products are an important source of revenue, contribute to increased profitability and serve to increase customer traffic. The Company believes that its existing retail sites present significant additional profit opportunities based upon their strategic locations in high traffic areas. The Company also offers ancillary services such as compressed air service, car washes, vacuums, and automated teller machines. Management continues to evaluate the addition of new ancillary services.

DEALER OPERATIONS

The Company maintains 102 dealer-operated units, all of which are located in Maryland. Under the Maryland Divorcement Law, refiners are prohibited from operating gasoline stations. The Maryland units are operated under a Branded Service Station Lease and Dealer Agreement (the "Dealer Agreement"), generally with a term of three years. Pursuant to the Dealer Agreement, a dealer leases the facility from the Company and purchases and resells Crown-branded motor fuel and related products. Dealers purchase and resell merchandise from independent third parties.

The Dealer Agreement sets forth certain operating standards; however, the Company does not control the independent dealer's personnel, pricing policies or other aspects of the independent dealer's business. The Company believes that its relationship with its dealers has been very favorable as evidenced by a low rate of dealer turnover.

The Company realizes little direct benefit from the sale of merchandise or ancillary services at the dealer operated units, and the revenue from these sales is not reflected in the Company's Consolidated Financial Statements. However, to the extent that the availability of merchandise and ancillary services increases customer traffic and gasoline sales at its units, the Company benefits from higher gasoline sales volumes.

SUPPLY, TRANSPORTATION AND WHOLESALE MARKETING

SUPPLY

The Company's refineries, terminals and retail outlets are strategically

located in close proximity to a variety of supply and distribution channels. As a result, the Company has the flexibility to acquire available domestic and foreign crude oil economically, and also the ability to cost effectively distribute its products to its own system and to other domestic wholesale markets. Purchases of crude oil and feedstocks are determined by quality, price and general market conditions.

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TRANSPORTATION

All of the domestic crude oil processed by the Company at its Pasadena refinery is transported by pipeline. The Company's purchases of foreign crude oil are transported primarily by tankers under spot charters which are arranged by either the seller or the Company. The Company is not currently obligated under any time-charter contracts. The Company has an approximate 5% interest in the Rancho Pipeline and generally received approximately 8,000 barrels per day of crude through this system in 2000. Foreign crudes (principally from the North Sea, West Africa and South America) account for approximately 90% of total Pasadena crude supply and are delivered by tanker. Most of the crude for the Tyler refinery is gathered from local East Texas fields and delivered by two pipeline systems, one of which is owned by the Company. Foreign crude also can be delivered to the Tyler refinery by pipeline from the Gulf Coast.

TERMINALS

The Company operates eight product terminals located along the Colonial and Plantation pipeline systems. In addition to the terminal at the Tyler refinery, it operates four product terminals located along the Texas Eastern Products Pipeline system. These terminals have a combined storage capacity of 1.7 million barrels. The Company's distribution network is augmented by agreements with other terminal operators also located along these pipelines. In addition to serving the Company's retail requirements, these terminals supply products to other refiner/marketers, jobbers and independent distributors.

WHOLESALE MARKETING

Approximately 15% of the gasoline produced by the Company's Pasadena refinery is transported by pipeline for sale at wholesale through Company and other terminals in the Mid-Atlantic and Southeastern United States. Heating oil is also regularly sold at wholesale through these same terminals. Gasoline, heating oil, diesel fuel and other refined products are also sold at wholesale in the Gulf Coast market.

The Company has entered into product exchange agreements for approximately one-quarter of its Tyler refinery production with two major oil companies headquartered in the United States. These agreements provide for the delivery of refined products at the Company's terminals, in exchange for delivery by these companies of a similar amount of refined products to the Company. These exchange agreements provide the Company with the ability to broaden its geographic