

DOCKETED

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SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (Agreement) is entered into between the California Energy Commission (CEC), with its principal office at 715 P Street, Sacramento, California 95814, and Alfi Trade, Inc. (Alfi Trade), with a place of business at 4011 West Jefferson Boulevard, Los Angeles, California 90016, collectively referred to as the Parties.

I. RECITALS

- (1) CEC's Appliance Efficiency Regulations at California Code of Regulations, Title 20, Article 4, sections 1601-1609 (Appliance Efficiency Regulations),¹ set forth the requirements to sell or offer for sale regulated appliances in California. The pertinent requirements include:
 - Testing: The appliance is tested as required in section 1603, using the applicable test method set forth in section 1604.
 - Efficiency: The appliance meets the required efficiency standards set forth in sections 1605.2 or 1605.3.
 - Marking: The appliance is correctly marked and labeled as required under section 1607.
 - Certification: The appliance is certified to CEC and appears in CEC's most recent Modernized Appliance Efficiency Database System (MAEDbS) as required under section 1606.
- (2) CEC's enforcement authority includes the removal of non-complying appliances from MAEDbS, as set forth in section 1608, and the issuance of administrative civil penalties under section 1609.
- (3) Alfi Trade distributes and sells several models of ALFI Brand plumbing fittings, EAGO brand water closets, and Whitehaus Collection brand plumbing fittings and water closets that it sells or offers for sale in California, either directly or through retailers or distributors.
- (4) ALFI Brand plumbing fittings, EAGO brand water closets, and Whitehaus Collection brand plumbing fittings and water closets are subject to the testing, efficiency, marking, and certification requirements for this appliance class as described in paragraph I(1) above.
- (5) From July 2015 to July 2021, Alfi Trade sold or offered for sale through retailers or distributors kitchen faucets, lavatory faucets, tub spout diverters, showerheads, and water closets in California, that were not listed in MAEDbS as required in section 1606, did not meet the efficiency standards set forth in section 1605.3(h)(3) when tested using the appropriate test method as described in section 1604(h)(3), and were not marked as required in section 1607.
- (6) Based on the above Recitals, CEC, through adjudication, could impose penalties for each violation alleged, obtain injunctive relief to prohibit Alfi Trade from continuing to sell or offer for sale,

¹ All references are to California Code of Regulations, Title 20, Article 4, unless otherwise specified.

non-compliant plumbing fittings and water closets in California, and take any other enforcement action as allowed by law.

(7) Section 1609(b)(3) and California Public Resources Code section 25402.11(a)(2) identify the following factors CEC shall consider when determining the amount of an administrative civil penalty:

- The nature and seriousness of the violation.
- The persistence of the violation, meaning a responsible person's history of past violations of the Appliance Efficiency Regulations over the previous seven years.
- The number of violations arising from the course of conduct that is subject of the enforcement proceeding.
- The length of time over which the violation occurred.
- The willfulness of the persons responsible for the violation.
- The harm to consumers and to the state that resulted from the amount of energy wasted due to the violation.
- The number of persons responsible for the violation.
- The efforts of the persons responsible for the violation to correct the violation prior to initiation of an enforcement action by CEC.
- The cooperation, by the persons responsible for the violation, with CEC during its investigation.
- The assets, liabilities, and net worth of the persons responsible for the violation. This information will be considered to reduce the administrative civil penalty amount, should a responsible person or persons elect to provide asset, liability, and net worth documentation to the Executive Director to demonstrate that a reduction in a penalty amount is necessary to avoid an undue burden.

(8) Penalties must be set at levels sufficient to deter violations. In developing this Agreement CEC considered the facts of the case and applied the above factors to determine an appropriate settlement. Further, in this case Alfi Trade cooperated with CEC in the investigation by redesigning their products; promptly testing, certifying, and marking the units; notifying retailers and removing the non-compliant units from the California market; and by providing to CEC sales data of non-compliant units. The efforts by Alfi Trade saved CEC time and resources in investigating the violations and minimized the impacts on the competitive business environment, energy consumption, and the environment in California, from the non-compliant units.

(9) Alfi Trade is willing to enter into this Agreement solely for the purpose of settlement and resolution of this matter with CEC. This Agreement does not constitute an admission by Alfi Trade that it agrees with the Energy Commission staff's allegations outlined herein, and further does not constitute an admission by Alfi Trade that it violated any law, ordinance, regulation or standard applicable to Alfi Trade. CEC accepts this Agreement in termination of this matter. Accordingly, the Parties agree to resolve this matter completely by means of this Agreement, without the need for adjudication.

II. TERMS AND RELEASE

In consideration of the Recitals listed above which are incorporated into this section by reference, and the mutual agreements set forth below, CEC and Alfi Trade agree as follows:

- (1) This Agreement covers the ALFI Brand plumbing fittings, EAGO brand water closets, and Whitehaus Collection brand plumbing fittings and water closets listed in the attachment.
- (2) For selling or offering for sale in California, plumbing fittings and water closets identified in paragraph I(5), whose model numbers are identified in the attachment, that did not meet the energy efficiency standards prescribed by section 1605.3, were not certified to MAEDbS as required by section 1606, and were not marked per section 1607 and, in consideration of the factors listed in paragraph I(7) and I(8) above, Alfi Trade shall pay as an administrative civil penalty the total sum of \$41,994.00. Payment shall be made by check made payable to the California Energy Commission in 18 monthly payments of \$2333.00 each, as shown below:

Payment Number	Due Date	Amount
1	June 1, 2022	\$2,333.00
2	July 1, 2022	\$2,333.00
3	August 1, 2022	\$2,333.00
4	September 1, 2022	\$2,333.00
5	October 1, 2022	\$2,333.00
6	November 1, 2022	\$2,333.00
7	December 1, 2022	\$2,333.00
8	January 1, 2023	\$2,333.00
9	February 1, 2023	\$2,333.00
10	March 1, 2023	\$2,333.00
11	April 1, 2023	\$2,333.00
12	May 1, 2023	\$2,333.00
13	June 1, 2023	\$2,333.00
14	July 1, 2023	\$2,333.00
15	August 1, 2023	\$2,333.00
16	September 1, 2023	\$2,333.00
17	October 1, 2023	\$2,333.00
18	November 1, 2023	\$2,333.00

Payment shall be made by the applicable due date, and sent with the corresponding remittance statement to the following address:

California Energy Commission
Accounting Office, MS-2
715 P Street
Sacramento, California 95814

Effect of untimely payment: If any payment is more than 15 days late, the entire remaining balance becomes immediately due and payable. In addition, if CEC takes action to enforce this Agreement, Alfi Trade shall pay all costs of investigating and prosecuting the action, including expert fees, reasonable attorney's fees, and costs.

It is agreed that if Alfi Trade, including its subsidiary or parent company, at any time becomes insolvent, or makes an assignment for the benefit of creditors or similar action adversely involving Alfi Trade, its subsidiary, or parent company, or a proceeding or petition under any bankruptcy, reorganization, arrangement of debt, insolvency, readjustment of debt, or receivership law or statute is filed by or against Alfi Trade, its subsidiary, or parent company, or a trustee in bankruptcy, custodian, receiver or agent is appointed or authorized to take charge of any of Alfi Trade's, its subsidiary's, or parent company's properties, or if any deposit account or other property of Alfi Trade's, its subsidiary, or parent company be attempted to be obtained or held by writ of execution, garnishment, attachment, condemnation, levy, forfeiture or other legal process, or Alfi Trade, its subsidiary, or parent company takes any action to authorize any of the foregoing, the entire remaining balance becomes immediately due and payable without notice or demand.

(3) Alfi Trade also agrees to take each of the following actions for any and all regulated appliance it will sell or offer for sale in California:

- a. Test all basic models, utilizing the applicable test method, to ensure conformance with the Appliance Efficiency Regulations.
- b. Certify all basic models in MAEDbS, and ensure listings are kept current and up to date.
- c. Use a new model number for any of the basic models described in II(1) that have been redesigned to meet energy efficiency standards.
- d. Add the required marking to the unit.

(4) This Agreement shall apply to and be binding upon Alfi Trade and its principals, officers, directors, receivers, trustees, employees, successors and assignees, subsidiary and parent corporations, and upon CEC and any successor agency that may have responsibility for and jurisdiction over the subject matter of this Agreement.

(5) In consideration of the payment specified above, CEC hereby releases Alfi Trade and its parent corporation, principals, directors, officers, agents, employees, shareholders, subsidiaries, predecessors,

and successors from any and all claims for violations of section 1608 (efficiency, marking, certification), relating to the time frame and appliances identified in paragraph I(5), whose model numbers are identified in the attachment.

(6) This Agreement constitutes the entire agreement and understanding between CEC and Alfi Trade concerning the claims and settlement in this Agreement, and this Agreement fully supersedes and replaces any and all prior negotiations and agreement of any kind or nature, whether written or oral, between CEC and Alfi Trade concerning these claims.

(7) No agreement to modify, amend, extend, supersede, terminate, or discharge this Agreement, or any portion thereof, shall be valid or enforceable unless it is in writing and signed by all Parties to this Agreement.

(8) Alfi Trade further agrees that if the subject matter of this Agreement comes before CEC in an administrative adjudication, neither any member of CEC, nor the Executive Director, shall be disqualified because of prior consideration of this Agreement.

(9) Each Party to this Agreement has reviewed the Agreement independently, has had the opportunity to consult counsel, is fully informed of the terms and effect of this Agreement, and has not relied in any way on any inducement, representation, or advice of any other Party in deciding to enter into this Agreement.

(10) This 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. Any litigation arising out of or related to this Agreement shall be filed in the Superior Court of California, County of Sacramento.


(11) Each provision of this Agreement is severable, and in the event that any provision of this Agreement is held to be invalid or unenforceable, the remainder of this Agreement remains in full force and effect.

(12) The failure of any Party to enforce any provision of this 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 Agreement.

(13) This Agreement is deemed to have been drafted equally by the Parties; it will not be interpreted for or against either Party on the ground that said Party drafted it.

(14) This Agreement is effective upon signature by a representative of Alfi Trade with authority to bind the company, and signature by the Executive Director of CEC. The Parties agree that fax or scanned signatures and multiple signature pages are acceptable for purposes of executing this Agreement, which may be signed in counterparts.

California Energy Commission

By: 
Name: Drew Bohan
Title: Executive Director
Date: 5/25/22

Alfi Trade, Inc.

By: 
Name: Eldad Alfi
Title: Founder & CEO
Date: 5/13/2022

Attachment

ALFI Brand

Lavatory Faucets

AB1003	AB1129	AB1295	AB1433	AB1475	AB1587	AB1771	AB1788	AB1884
AB1010	AB1158	AB1322	AB1468	AB1493	AB1597	AB1772	AB1790	AB3470
AB1020	AB1229	AB1326	AB1470	AB1570	AB1598	AB1778	AB1792	AB3600
AB1023	AB1256	AB1336	AB1471	AB1572	AB1628	AB1779	AB1796	
AB1035	AB1258	AB1400	AB1472	AB1586	AB1770	AB1782	AB1882	

Kitchen Faucets

AB2042	AB2047	ABKF3023	ABKF3732	ABKF3783	ABKF3787	ABKF3262	ABKF3889
AB2046	ABKF3001	ABKF3480					

Tub Spout Diverters

AB2180	AB2322	AB2464	AB2475	AB2503	AB2534	AB2553	AB2703	AB2728
AB2758	AB2843	AB2875	AB2879					

Showerheads

AB2287	AB2867	AB4501	LED12S	LED8S	RAIN12R	RAIN2012	RAIN24S
AB2545	AB3801	AB7606	LED16R	RAIN10RW	RAIN12S	RAIN20R	RAIN8R
AB2830	AB3820	AB7938	LED16S	RAIN10SW	RAIN16R	RAIN20S	RAIN8S
AB2862	AB3830	LED12R	LED8R	RAIN128	RAIN16S	RAIN24R	

EAGO

Water Closets

TB108	TB222	TB336	TB351	TB353	TB358	TB364
TB133	TB309	TB346	TB352	TB356	TB359	TB377

Whitehaus Collection

Lavatory Faucets

N21-P***	514.111WS-C	WH2010191***	WHS0311-SB	WHLX79250***
N21***	514.121WS-C	WH81205-BN	WHS1010-SB	WHLX79572***
3-04012***	514.141WS-C	WH81211***	WHS1206-SB***	WHS8601-SB***
3-04040***	514.151WS-P	WH81214***	WHFO14203-C	WHUS21608***
3-04044***	614.111WS-P	WH81214L***	WHFO14204-C	WHUS216RM***
3-04045***	614.121WS-P	WH832148***	WHLX78205-BN	WHSL3-9722***
3-3245-BN	614.151WS-PC	WHL1211***	WHLX78208***	WHSL3-9724***

3-3340-BN	614.161WS-P	WHRO218-BN	WHLX78211-C
3-3344-BN	WH08211***	WHS0111-SB***	WHLX78214***
3-3345***	WH2010001***	WHS0221-SB***	WHLX79214***

Kitchen Faucets

0251-PC	WH2070952***	WHKSDTCR3-8201***
3-03942CH85-C	WH23574***	WHKSDTCR3-8204***
3-03942SS85-BN	WH64544***	WHKSDTLV3-8201***
3-2169-***-B	WH76574***	WHKSDTLV3-8204***
3-3163-SPR-L ***	WHEG-34654***	WHKTSL3-2200***
3-3163-SPR-L***	WHEGB-34656***	WHL1215***
3-3171-C	WHFH-C3132	WHLX78557S***
3-3172-L	WHKBCR3-9101***	WHLX78558***
3-3178***	WHKBCR3-9106***	WHLX78559-C
G9930***	WHKBLV3-9101***	WHLX78568***
G9931A***	WHKBLV3-9106***	WHLX78572
G9943***	WHKBTCR3-9101-NT***	WHLX78572***
WH16606***	WHKBTCR3-9201-NT***	WHNFX2025STS
WH17606***	WHKBTCR3-9206***	WHNFX2125STS
WH17666***	WHKBTLV3-9101-NT***	WHS1394-PSK***
WH18664***	WHKBTLV3-9201-NT***	WHS1634-SK***
WH20106***	WHKBTLV3-9206***	WHS1644-SK***
WH2070028***	WHKCR3-4400***	WHS1971-SK
WH2070079***	WHKLV3-4400***	WHS1991-SK***
WH2070800***	WHKPSL3-2222***	WHSB14007-SK
WH2070824***	WHKSDCR3-8101***	WHSB14007-SK***
WH2070826***	WHKSDCR3-8104***	WHTTSCR3-9771-NT***
WH2070838***	WHKSDLV3-8101***	WHTTSCR3-9771SPR
WH2070952	WHKSDLV3-8104***	WHTTSCR3-9772SPR***
WHTTSCR3-9773-NT***	WHTTSLV3-9773-NT***	WHUS566***
WHTTSCR3-9773SPR-BN	WHTTSLV3-9773SPR***	WHUS591M-C
WHTTSCR3-9773SPR-C	WHTTSVL-9774SPR***	WHVEG3-1095***
WHTTSCR3-9773SPR***	WHQN-34650***	WHVEG3-1098***
WHTTSCR3-9774SPR***	WHQN-34682***	WHVEGCR3-886***
WHTTSLV3-9771-NT***	WHQNP-34650***	WHVEGLV3-886***
WHTTSLV3-9771SPR	WHQNP-34682***	
WHTTSLV3-9772SPR***	WHUS492***	

Showerheads

514.413TF-C	614.825PR-C	WH104A8-BN	WHOSA24SQ-8***
514.423TF-C	614.828SH-P	WH105A5-ORB	WHOSA28SQ-8***
514.443TF-C	614.838SH-P	WH105A8-BN	WHOSA29-8***
514.453TF-P	614.845PR-C	WH138***	WHOSA30-4.3***
514.463TF-C	614.848SH-P	WH139***	WHSM01-12***
614.413TF-PW	614.858SH-P	WH50124***	WHSM01-6***
614.423TF-PW	614.865PR-C	WHAC07***	WHSM01-8***
614.443TF***	WH08125***	WHL1125-BN	WHT7369S-C
614.453TF-PC	WH0869700***	WHLX78129***	WHT8868S-C
614.463TF***	WH0869701***	WHOSA10-6***	WHUS69700***
614.815PR-C	WH104A5-ORB	WHOSA18-8***	

Water Closets

WHMFL221-EB	WHMFL3222-EB	WHMFL3309-EB	WHMFL3351-EB
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