

<b>DOCKETED</b>	
<b>Docket Number:</b>	16-ENFORCE-03
<b>Project Title:</b>	Settlement Agreements
<b>TN #:</b>	229749
<b>Document Title:</b>	Liftboard Inc. Settlement Agreement
<b>Description:</b>	N/A
<b>Filer:</b>	Amanda Harris
<b>Organization:</b>	California Energy Commission
<b>Submitter Role:</b>	Commission Staff
<b>Submission Date:</b>	9/17/2019 8:57:27 AM
<b>Docketed Date:</b>	9/17/2019

## SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (Agreement) is entered into between the California Energy Commission (Energy Commission), with its principal office at 1516 Ninth Street, Sacramento, California 95814, and Liftboard, Inc. (Liftboard), with a place of business at 7777 Washington Avenue S, STE 108, Edina, Minnesota 55439 collectively referred to as the Parties.

### I. RECITALS

(1) The Energy Commission's Appliance Efficiency Regulations at California Code of Regulations, Title 20, Article 4, sections 1601-1609 (Appliance Efficiency Regulations),<sup>1</sup> 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 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 the Energy Commission and appears in the Energy Commission's most recent Modernized Appliance Efficiency Database System (MAEDbS) as required under section 1606.

(2) The Energy Commission'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) Liftboard manufactures several models of electric skateboards that it sells or offers for sale in California, either directly or through retailers or distributors.

(4) Liftboard's electric skateboards contain small battery charging systems (SBCS) that are subject to the testing, efficiency, marking, and certification requirements for this appliance class as described in paragraph I(1) above.

(5) From December 2016 to January 2019, Liftboard sold or offered for sale through retailers or distributors electric skateboards in California, that were not listed in MAEDbS as required in section 1606, and were not marked as required in section 1607(d)(10).

---

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

(6) Based on the above Recitals, the Energy Commission, through adjudication, could impose penalties for each violation alleged, obtain injunctive relief to prohibit Liftboard from continuing to sell or offer for sale, non-compliant SBCS 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 the Energy Commission 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 the Energy Commission.
- The cooperation, by the persons responsible for the violation, with the Energy Commission 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, the Energy Commission considered the facts of the case and applied the above factors to determine an appropriate settlement. Further, in this case Liftboard cooperated with the Energy Commission in the investigation by notifying retailers and removing the non-compliant units from the California market; and by providing to the Energy Commission sales data of non-compliant units. The efforts by Liftboard saved the Energy Commission time and resources in investigating the violations and minimized the impacts on the competitive business environment in California, from the non-compliant units. Also, Liftboard demonstrated by providing financial information, that a higher penalty would cause it financial hardship. This documentation is confidential and the Energy Commission does not retain it in the regular course of business.

(9) Liftboard is willing to enter into this Agreement solely for the purpose of settlement and resolution of this matter with the Energy Commission. The Energy Commission 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, the Energy Commission and Liftboard agree as follows:

- (1) This Agreement covers the following Liftboard appliance(s): Liftboard Single Motor and Liftboard Dual Motor.
- (2) For selling or offering for sale in California, electric skateboards containing SBCS identified in paragraph I(5), whose model numbers are identified in paragraph II(1) that were not certified to MAEDbS as required by section 1606, and were not marked per section 1607(d)(10), and, in consideration of the factors listed in paragraph I(7) and I(8) above, Liftboard shall pay as an administrative civil penalty the total sum of \$11,398.00 by check made payable to the California Energy Commission by October 1, 2019. 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  
1516 Ninth Street  
Sacramento, California 95814-5512

- (3) Liftboard also agrees to take each of the following actions for any and all SBCS 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. Add the required marking to the unit.
- (4) This Agreement shall apply to and be binding upon Liftboard and its principals, officers, directors, receivers, trustees, employees, successors and assignees, subsidiary and parent corporations, and upon the Energy Commission 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, the Energy Commission hereby releases Liftboard 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, and certification), relating to the appliances identified in paragraph I(5), whose model numbers are identified in paragraph II(1).

(6) This Agreement constitutes the entire agreement and understanding between the Energy Commission and Liftboard 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 the Energy Commission and Liftboard 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) Liftboard further agrees that if the subject matter of this Agreement comes before the Energy Commission in an administrative adjudication, neither any member of the Energy Commission, 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 Liftboard with authority to bind the company, and signature by the Executive Director of the Energy Commission. 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.

SETTLEMENT AGREEMENT AND RELEASE  
CALIFORNIA ENERGY COMMISSION and LIFTBOARD, INC.  
Page 5 OF 5

California Energy Commission

By: \_\_\_\_\_  
Name: Drew Bohan  
Title: Executive Director  
Date: 8/13/19

Liftboard Inc.

By: Mike Clemmer  
Name: Mike Clemmer  
Title: CEO  
Date: August 28th, 2019