

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 Matrix Decor LLC (Matrix Decor), with a place of business at 3690 Akron Street, Denver, Colorado 80238 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) Matrix Decor distributes several models of plumbing fittings and ceiling fans that it sells or offers for sale in California, either directly or through retailers or distributors.

(4) Matrix Decor plumbing fittings are subject to the testing, efficiency, marking, and certification requirements for this appliance class as described in paragraph I(1) above. Matrix Decor brand ceiling fans are subject to the testing and certification requirements for this appliance class as described in paragraph I(1).

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

(5) From August 2019 to August 2021, Matrix Decor sold or offered for sale through retailers or distributors kitchen faucets, lavatory faucets, and showerheads 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)(5) when tested using the appropriate test method as described in section 1604(h), and were not marked as required in section 1607. Furthermore, during this period Matrix Decor also sold or offered for sale in California through retailers or distributors ceiling fans that were not listed in MAEDbS as required in section 1606.

(6) Based on the above Recitals, CEC, through adjudication, could impose penalties for each violation alleged, obtain injunctive relief to prohibit Matrix Decor from continuing to sell or offer for sale, non-compliant plumbing fittings and ceiling fans 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 Matrix Decor cooperated with CEC in the investigation by 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 Matrix Decor 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) Matrix Decor is willing to enter into this Agreement solely for the purpose of settlement and resolution of this matter with CEC. 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 Matrix Decor agree as follows:

(1) This Agreement covers the Matrix Decor plumbing fitting and ceiling fan models listed in Attachment A.

(2) For selling or offering for sale in California, plumbing fittings and ceiling fans identified in paragraph I(5), whose model numbers are identified in Attachment A 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, Matrix Decor shall pay as an administrative civil penalty the total sum of \$14,000.00. Payment shall be made by electronic transfer to CEC in 1 payment of \$8,000 and 2 payments of \$3,000, as shown below.

Payment Number	Due Date	Amount
1	March 1, 2022	\$8,000.00
2	April 1, 2022	\$3,000.00
3	May 1, 2022	\$3,000.00

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, Matrix Decor shall pay all costs of investigating and prosecuting the action, including expert fees, reasonable attorney's fees, and costs.

It is agreed that if Matrix Decor, 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 Matrix Decor, 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 Matrix Decor, its subsidiary, or parent company, or a trustee in bankruptcy, custodian, receiver or agent is appointed or authorized to take charge of any of Matrix Decor's, its subsidiary's, or parent company's properties, or if any deposit account or other property of Matrix Decor'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 Matrix Decor, 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) Matrix Decor also agrees to take each of the following actions for any and all regulated appliances 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 Matrix Decor 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 Matrix Decor 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 Attachment A.


(6) This Agreement constitutes the entire agreement and understanding between CEC and Matrix Decor 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 Matrix Decor 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) Matrix Decor 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 Matrix Decor 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: December 6, 2021

Matrix Decor LLC

By: 
Name: Bruce Lee
Title: Manager
Date: 2021/11/18

Attachment A

Kitchen Faucets				
L18096	RPKF21006BN	A-916341-Nickel	MDH-SLC16099-SS	MDH-SLCROF-3
RKF9608BN	RPKF21007BN	MDH-SLC2007-SS	MDH-SLC2008-SS	
RKF9608MB	RPKF21007MB	SLC16088	MDSLCL16033	
RPKF21001BN	SLC16088-ORB	MDSLCL2008-B	MDH-SLCROF-1	
RPKF21002MB	SLC16089	MDSLCL9988	MDH-SLCROF-2	

Lavatory Faucets				
A-96560-ORB	MDA-916430-B-2	A-916436-C	MDBFT 5202 SB	MD-RBF61006MB
A-916430-Chrome	RBF61003MB	A-96135-BG-S	MDH-SLC2003-B	MD-RBF65021MB
A-96556P-ORB	MD-RPBF61002MB	MDBFT 5201 GB	MDH-SLC2004-B	RBF65011MB
A-96558H-ORB	MDH-SLC2004-SS	MD-RBF65023ORB	MD-RBF61005ORB	

Showerheads				
RCS85008MB	MD-RCS81011MB	MD-LS0016SCH	MD-F01082CH	MD-SLF16006-B
MDRCS81009MB	MD-RCS85003BBG	MD-SLF16002	MD-F01086SS	MD-SLF16006-SS
MD-RCS81010MB	RCS81001MB	MD-RCS85018BG	MD-LS0001LE	
RCS85009MB	RCS85010MB	MD-RCST85022MB	MD-SLE16003	

Ceiling Fans				
F6217A110V	F3506110V	F6232110V	F6213110V	F6225110V
F6215A110V	F6218BK110V	F6275110V	BBB70-2315BC	F6250110V
F3504A110V	F6222A110V	F4601BZ110V	F6214110V	F8203A110V
F4710110V	F6223110V	F4601Y110V	F6227110V	BB430022CR
F6218A110V	F6291110V	F6209110V	F3502110V	BBB60-3180BK
F3501110V	F6252110V	F6233110V	F4401DF110V	F4601WH110V
F4707110V	F6267110V	F6236110V	BBT52-8010BN	F6210110V
F4503WOW110V	F6273110V	F6236BK110V	F8215110V	F6237110V
F6103110V	F6290110V	F6251110V	F4601110V	F6263110V
F4503110V	F3503110V	F6296110V	F4601BK110V	F6271110V
F3513110V	F3508A110V	F6230110V	F6231110V	F6272110V
F6253110V	F6217110V	BBCPD1719-I	F3505110V	
F4706110V	F6225ORB110V	BBCPS1268-A4	F4701110V	