

<b>DOCKETED</b>	
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<b>Project Title:</b>	Settlement Agreements
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<b>Document Title:</b>	Beverage-Air Corporation Settlement Agreement and Release
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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 Beverage-Air Corporation (Beverage-Air), with a place of business at 3779 Champion Boulevard, Winston-Salem, North Carolina 27105, 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),<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 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) Beverage-Air manufactures several models of Beverage-Air brand and Victory brand commercial refrigerators and commercial hot food holding cabinets that it sells or offers for sale in California, either directly or through retailers or distributors.

(4) Beverage-Air brand and Victory brand commercial refrigerators and commercial hot food holding cabinets are subject to the testing, efficiency, marking, and certification requirements for this appliance class as described in paragraph I(1) above.

(5) From January 2021 to January 2025, Beverage-Air sold or offered for sale in California through retailers or distributors commercial refrigerators and commercial hot food holding cabinets, that were not listed in MAEDbS as required in section 1606.

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

(6) Based on the above Recitals, CEC, through administrative adjudication, could impose penalties for each violation alleged, obtain injunctive relief to prohibit Beverage-Air from continuing to sell or offer for sale, non-compliant commercial refrigerators and commercial hot food holding cabinets in California, and take any other enforcement action as allowed by law.

(7) California Public Resources Code section 25402.11(a)(2) identifies the following factors CEC shall consider when determining the amount of an administrative civil penalty:

- The nature and seriousness of the violation.
- The number of violations.
- The persistence of the violation 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 violation.
- The violator's assets, liabilities, and net worth.
- The harm to consumers and to the state that resulted from the amount of energy wasted due to the violation.

(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 Beverage-Air cooperated with CEC in the investigation promptly testing, certifying, and marking the units and by providing to CEC sales data of non-compliant units. The efforts by Beverage-Air saved CEC time and resources in investigating the violations and minimized the impacts on the competitive business environment in California, from the non-compliant units.

(9) Beverage-Air 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 administrative 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 Beverage-Air agree as follows:

(1) This Agreement covers the Beverage-Air models listed in the attachment.

(2) For selling or offering for sale in California, commercial refrigerators and commercial hot food holding cabinets identified in paragraph I(5), whose model numbers are identified in the attachment, that were not certified to MAEDbS as required by section 1606, and, in consideration of the factors listed in paragraph I(7) and I(8) above, Beverage-Air shall pay as an administrative civil penalty the total sum of \$307,215.00 by electronic transfer to CEC by August 1, 2025. Banking information and instructions necessary to complete the electronic transfer shall be provided by CEC.

(3) Beverage-Air 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. Add the required marking to the unit.

(4) This Agreement shall apply to and be binding upon Beverage-Air 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 Beverage-Air 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 Beverage-Air 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 Beverage-Air 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) Beverage-Air 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 Beverage-Air 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: 6/30/25

**Beverage-Air Corporation**

By: *Korey Brownlee*  
Name: Korey Brownlee  
Title: General Manager  
Date: 06/26/2025

**Attachment**

Beverage-Air Brand Commercial Refrigerator Models:

BB48HC-1-B	BB58HC-1-F-S	BB94HC-1-G-S
BB48HC-1-B-27	BB58HC-1-S	BB94HC-1-G-S-ALT-340
BB48HC-1-B-27-ALT	BB68HC-1-B	BB94HC-1-S
BB48HC-1-B-ALT	BB68HC-1-FG-B-ALTWINE	BZ13HC-B
BB48HC-1-F-B-019	BB68HC-1-FG-S	BZ13HC-W
BB48HC-1-F-B-27	BB68HC-1-G-B-WINE	CDR3HC-1-B
BB48HC-1-FG-B	BB68HC-1-G-S	CDR3HC-1-B-D
BB48HC-1-FG-B-WINE	BB72HC-1-B	CDR3HC-1-W
BB48HC-1-FG-S	BB72HC-1-B-27	CDR4HC-1-B
BB48HC-1-F-GS-B	BB72HC-1-B-ALT	CDR4HC-1-W
BB48HC-1-F-GS-B-27	BB72HC-1-F-PT-B-27	CDR5HC-1-B
BB48HC-1-F-GS-S-27	BB72HC-1-F-S	CDR5HC-1-B-D
BB48HC-1-F-S	BB72HC-1-F-S-27	CDR5HC-1-W
BB48HC-1-G-B	BB72HC-1-PT-S-27	CDR6HC-1-B
BB48HC-1-G-B-27	BB72HC-1-S	CDR6HC-1-W
BB48HC-1-G-B-ALT	BB72HC-1-S-27	CT12-12HC-1HG
BB48HC-1-G-B-WINE	BB78HC-1-B	CT12-12HC-1HS
BB48HC-1-G-S	BB78HC-1-B-ALT	CT12-12HC-1HS-18
BB48HC-1-G-S-27	BB78HC-1-B-ALT-SUB	DD48HC-1-B
BB48HC-1-G-S-ALT	BB78HC-1-B-ALT-SUB-103	DD48HC-1-B-079
BB48HC-1-GS-B	BB78HC-1-B-SUB	DD48HC-1-B-138
BB48HC-1-GS-B-27	BB78HC-1-B-SUB-103	DD48HC-1-B-193
BB48HC-1-GS-B-ALT	BB78HC-1-F-B-18	DD48HC-1-S
BB48HC-1-GS-S	BB78HC-1-G-B	DD48HC-1-S-ALT
BB48HC-1-GS-S-27	BB78HC-1-G-B-ALT	DD48HC-1-S-ALT-138
BB48HC-1-GS-S-ALT	BB78HC-1-S	DD48HC-1-S-ALT-348
BB48HC-1-GS-S-WINE	BB94HC-1-B	DD48HC-1-S-G
BB48HC-1-G-S-WINE	BB94HC-1-B-ALT	DD48HC-1-S-SUB-352
BB48HC-1-PT-B	BB94HC-1-B-SUB	DD58HC-1-B
BB48HC-1-S	BB94HC-1-B-WINE	DD58HC-1-B-016
BB48HC-1-S-27	BB94HC-1-F-B	DD58HC-1-B-144
BB58HC-1-B	BB94HC-1-FG-B	DD58HC-1-B-356
BB58HC-1-B-ALT	BB94HC-1-G-B	DD58HC-1-B-TAPC-079
BB58HC-1-F-B	BB94HC-1-G-B-WINE	DD58HC-1-C-B

DD58HC-1-S	DD94HC-1-S-ALT-144	RIS-2D-S1-PT-XH-HC
DD58HC-1-S-016	HBFR49HC-1-A	SF1HC-1S
DD58HC-1-S-069	HBFR72HC-1-B	SF2HC-1S
DD58HC-1-S-072	HBRF23HC-1-A	SF34HC-B
DD58HC-1-S-138	HBRF23HC-1-A-18	SF34HC-S
DD58HC-1-S-244	HBRF23HC-1-A-G	SR1HC-1S
DD58HC-1-S-334	HBRF23HC-1-A-G-18	SR2HC-1S
DD58HC-1-S-ALT-016	HBRF49HC-1-A	TMF1HC-1S
DD68HC-1-B	HBRF72HC-1-B	TMF2HC-1S
DD68HC-1-B-144	HBRF72HC-1-B-G	TMR1HC-1S
DD68HC-1-C-B	HBRF72HC-1-C	UCF48AHC-25
DD68HC-1-C-S	HBRF72HC-1-C-G	UCR36AHC-25-02-018
DD68HC-1-S	MMF19HC-1-B	UCR36AHC-25-09
DD68HC-1-S-016	MMF19HC-1-W	UCR93AHC-17
DD72HC-1-B	MMF19HC-1-WB-18	UCRD93AHC-2
DD72HC-1-B-069	MMFR49HC-1-A-BW	UCRD93AHC-4
DD72HC-1-B-388	MMFR49HC-1-A-SB	UCRD93AHC-6
DD72HC-1-B-391	MMFR49HC-1-A-WW	UCRF48AHC-1-SA-A
DD72HC-1-S	MMRF49HC-1-A-BW	UCRF48AHC-1-SA-B
DD72HC-1-S-069	MMRF49HC-1-A-SW-015	UCRF48AHC-1-SA-B09104
DD72HC-1-S-360	MMRF72HC-1-B-BW-282	UCRF48AHC-1-SA-B-23
DD72HC-1-S-ALT-GDR	MMRR49HC-1-A-BW-WINE	UCRF48AHC-1-SA-B-ADA
DD78HC-1-B	NC60HC-1-W	UCRF50AHC-1-SA-B
DD78HC-1-B-12T	NC68HC-1-W	VMHC-12-1-B
DD78HC-1-B-144	PRD2HC-1AHS	VMHC-12-1-GB
DD78HC-1-B-150	PRD2HC-1AS	VMHC-18-1-B
DD78HC-1-B-ALT	PRD2HC-1BG	VMHC-18-1-G
DD78HC-1-S	PRD2HC-1BG-005	VMHC-7-1-B
DD78HC-1-S-12T	PRD2HC-1BGF	VMHC-7-1-W
DD78HC-1-S-ALT-12T	PRD2HC-1BHG	VMHCSL-18-1-B
DD94HC-1-B	PRF12-12HC-1HS	VMHCSL-18-1-G
DD94HC-1-B-072	PRF12-12HC-1HS-02	VMHCSL-18-1-W
DD94HC-1-B-12T	PRF12-12HC-1HS-02-18	WTR93AHC
DD94HC-1-B-ALT-069	PRF12-12HC-1HS-943	WTRD93AHC-2
DD94HC-1-B-ALT-144	PRF24-24HC-1AS	WTRD93AHC-6
DD94HC-1-S-144	PRT2HC-1AS	WTRF48AHC-1-SA-B-23
DD94HC-1-S-ALT-12T	RIS-2D-S1-PT-HC	WTRF50AHC-1-SA-A

Beverage-Air Brand Commercial Hot Food Holding Cabinet Models:

PH1-1HS	PH1-1HS-PT	PH1-1S	PH1-1S-6C	PH1-1S-PT	PH2-1HS-PT
PH2-1S	PH11-1S-PT	PHI2-2S-PT			

Victory Brand Commercial Refrigerator Models:

ACRS-1D-S1-HC	RFS-2D-S1-HC	RS-2D-S1-PT-G-HC
ACRS-1D-S1-HC-18	RFSA-1D-S1-EW-HD-HC-0038	RS-2D-S1-PT-HC
RFS-1D-S1-HD-HC	RFSA-1D-S1-HD-HC	RS-2D-S1-PT-HC-676
RFS-1D-S1-HD-HC-18	RFSA-2D-S1-HD-HC	VUF32HC-LPC
RFS-1D-S1-HD-HC-6C	RS-2D-S1-EW-PT-HC	VUF60HC-SPEC512
RFS-1D-S1-HD-HC-748	RS-2D-S1-EW-PT-HC-851	VUR93HC-LPC
RFS-1D-S1-HD-HC-RHNG	RS-2D-S1-EWPTHDHC-881	VWF32HC-18-LPC
RFS-2D-S1-EW-HC		VWF32HC-LPC

Victory Brand Commercial Hot Food Holding Cabinet Models:

HIS-1D-1
HIS-1D-1-PT-18R
HIS-2D-1
HIS-2D-1-PT-836
HISA-2D-1
HISA-2D-1-RR

HS-1D-1
HS-1D-1-EW-6C
HS-1D-1-EW-HD-686
HS-1D-1-EW-PT-18F-6C
HS-1D-1-EW-PT-18R-6C
HS-1D-1-EW-PT-HD-828

HS-1D-1-HD-686
HS-2D-1
HS-2D-1-PT-GD
HSA-1D-1-PT-HD-568
HSA-1D-1-PT-HD-6C
HSA-2D-1-EW-PTHD