

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 Sceptre, Inc. (Sceptre), with a place of business at 16800 Gale Avenue, City of Industry, California, 91745 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) Sceptre manufactures, distributes, and sells computer monitors, televisions, and Bluetooth speakers that it sells or offers for sale in California, either directly or through retailers or distributors.

(4) Sceptre brand computer monitors, televisions, and Bluetooth speakers are subject to the testing, efficiency, marking, and certification requirements for this appliance class as described in paragraph I(1) above.

(5) CEC alleges that from December 2018 to December 2022, Sceptre sold or offered for sale in California through retailers or distributors computer monitors that did not meet the efficiency standards set forth in section 1605.3(v)(4) when tested using the appropriate test method as described in section 1604(v) and computer monitors, televisions, and Bluetooth speakers that were not listed in MAEDbS as required in section 1606.

¹ 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 Sceptre from continuing to sell or offer for sale, non-compliant computer monitors, televisions, and Bluetooth speakers 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, Sceptre cooperated with CEC in the investigation by promptly testing and certifying the units; and by providing to CEC sales data of non-compliant units. The efforts by Sceptre saved CEC time and resources in investigating the violations and minimized the impacts on the competitive business environment and energy consumption and the environment in California, from the non-compliant units.

(9) Sceptre is willing to enter into this Agreement solely for the purpose of settlement and resolution of this matter with CEC. The Parties understand and agree that neither the execution of this Agreement nor payment of any sum of money pursuant to this Agreement shall constitute or be construed as an admission of any omission, wrongdoing or acceptance of liability by Sceptre. 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 Sceptre agree as follows:

(1) This Agreement covers the Sceptre brand computer monitors, televisions, and Bluetooth speakers listed in the attachment.

(2) For selling or offering for sale in California, computer monitors, televisions, and bluetooth speakers 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 and 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, Sceptre shall pay as an administrative civil penalty the total sum of \$778,743.00 by electronic transfer to CEC by April 1, 2025. Banking information and instructions necessary to complete the electronic transfer shall be provided by CEC.

(3) Sceptre 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 Sceptre 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 Sceptre 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 Sceptre 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 Sceptre 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) Sceptre 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.

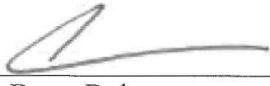
(11) Each provision of this Agreement is severable, and in the event that any provision of this Agreement is held to be invalid or unenforceable, the remainder of this Agreement remains in full force and effect.

(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 Sceptre 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: 3/24/2025

Sceptre Inc.

By: 
Name: Cathy Chou
Title: Vice President
Date: 3/11/2025

Attachment

Computer Monitors

E249W-19203RT	C275B-1858RN	E248B-FPT168	E325B-QPN168
C305B-200UN1	C275W-1920R	E248B-FPT168S	E325B-QPN168+
C305B-200UN1T	C275W-1920RK	E248W-19203R	E325W-2560AD
C305B-200UNT	C305B-200UN	E248W-19203RT	U278W-4000R
E205W-16003RTT	C305W-2560UN	E248W-19203RTA	U279W-4000RK
E248B-FWS168	C305W-2560UN1	E248W-19203RTD	C345B-QUN168W
E248W-FPTK	C308B-200UNT	E248W-1920RK	E225W-FPTD
E248W-QPT	C325B-185RD	E248W-FPRK	E278W-FPT
E249W-19203RTK	C325W-1920RR	E249B-FPT168	E278W-FPTK
E275B-QPT168	C325W-1920RRK	E249W-FPT	C278W-1920RND
E275W-QPT	C326B-185RD	E255B-1658A	C355W-3440UN1
E300W-FUS	C345W-2560UN	E255B-1658A1	E205W-16003RTA
E345B-QUT168	C355W-3440UN	E258B-1658A1	E209W-16003RT1
E448B-FSN168	C505B-QSN168	E275B-FPN168	E209W-16003RTA
E448B-FSN168W	E165W-1600HC	E275B-FPT165	E225W-19203RT1
C248B-144R	E205W-16003R	E275B-FPT168	E229W-19203RT
C248B-144RK	E205W-16003RT	E275B-QPN168	E229W-19203RT1
C248B-144RN	E205W-1600SR	E275B-QPN168+	E229W-19203RTA
C248B-1858RN	E205W-1600SRT	E275W-19203RD	E248W-19203RS
C248W-1920R	E209W-16003RT	E275W-19203RS	E248W-FPT
C248W-1920RK	E225W-19203RS	E275W-1920RD	E249W-19203RTA
C275B-144R	E225W-19203RT	E275W-FPT	E249W-19203RTC
C275B-144RK	E225W-19203RTA	E279W-19203RD	E249W-19203RTD
C275B-144RN			

Televisions

A515CV-UMC	E325BD-FSRD	U650CV-UMRD	X435BV-FSRD
A518CV-UMC	E325BD-SRC	U750CV-UMRD	X437BV-FSRD
A550CV-UMC	E325BD-SRD	U750CV-UMRK	X505BV-FSRC
A558CV-UMC	E328GD-SR	X322BV-SRC	A438BV-FSRC
A322BV-SRC	E328WD-SR	X322BV-SRCC	A658CV-UMC
A328BV-SRC	E405BD-FRD	X322BV-SRD	E197BV-SRD
E185BV-SSC	U435CV-UMRD	X322BV-SRN	E246BD-FSRD1

E195BD-SRD	U515CV-UMC	X322BV-SRR	E246BV-FSRD
E195BD-SRR	U515CV-UMRD	X325BV-FSR	E246BV-FSRD1
E195BV-SRD	U550CV-UMC	X325BV-FSRD	U517CV-UMRD
E205BV-SMQCC	U550CV-UMRD	X405BV-FSRCC	U557CV-UMRD
E246BD-FSRD	U650CV-UMC	X405BV-FSRD	U657CV-UMRD
E246BV-SRD	U650CV-UMCC	X435BV-FSRA	U750CV-UMRD1
E247BD-FSRD	X325BV-FSRC	X435BV-FSRC	

Bluetooth Speakers

SB80-BTR	SB80-BTRV
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