BEFORE THE
U.S. DEPARTMENT OF ENERGY
Washington, D.C. 20585

In the Matter of:	)	
	)	
SANYO E&E Corp.,	)	Case Number: 2010-CE-1210
Respondent	)	
	)	

COMPROMISE AGREEMENT

The U.S. Department of Energy Office of the General Counsel initiated this action against Sanyo Electric Co. pursuant to 10 C.F.R. § 430.74 by Notice of Proposed Civil Penalty alleging that Sanyo Electric Co. had failed to submit a certification report and compliance statement for residential refrigerators and refrigerator-freezers. SANYO E&E Corp. ("Respondent"), the real party-in-interest to this action, on behalf of itself and any parent, subsidiary, affiliate, division or other related entity (including SANYO North America Corp. and SANYO Electric Co., Ltd.), and DOE, by their authorized representatives, hereby enter into this Compromise Agreement for the purpose of settling this civil penalty action.

I. DEFINITIONS

For the purposes of this Compromise Agreement, the following definitions shall apply:

(a) "Act" means the Energy Policy and Conservation Act of 1975, as amended, 42 U.S.C. § 6291 *et seq.*

(b) "Adopting Order" means an Order of the General Counsel adopting the terms of this Compromise Agreement without change, addition, deletion, or modification.

(c) "DOE" means the U.S. Department of Energy.

(d) "DOE Rules" means DOE's energy conservation regulations found in Title 10, Part 430, of the Code of Federal Regulations.

(e) "Notice" means the Notice of Proposed Civil Penalty issued by DOE to Sanyo Electric Co. on September 8, 2010, and captioned as case number 2010-CE-1210.

(f) "Parties" means DOE and Respondent.

(g) "Respondent" means SANYO E&E Corporation, a fully-owned subsidiary of SANYO North America Corp., which is in turn a fully-owned subsidiary of SANYO Electric Co., Ltd.

(h) "Respondent Related Parties" means, collectively, Respondent and any parent, subsidiary, affiliate, division or other related entity (including SANYO North America Corp. and SANYO Electric Co., Ltd.).

II. RECITALS

WHEREAS, DOE, pursuant to 42 U.S.C. § 6291 *et seq.*, is responsible for the promulgation and enforcement of the energy conservation requirements set forth in DOE Rules; and

WHEREAS, DOE has promulgated energy conservation standards for residential refrigerators, freezers, and refrigerator-freezers at 10 C.F.R. § 430.32 and requires manufacturers to submit information and reports to ensure compliance with those standards at 10 C.F.R. § 430.62; and

WHEREAS, DOE, on September 8, 2010, initiated an action to assess a civil penalty for failure to certify covered products; and

WHEREAS, Respondent admits:

1. Respondent, or its parent company SANYO North America Corp., imports, manufactures or privately labels refrigerators, refrigerator-freezers, and freezers, including the following models or basic models:

SR-A1780*	JUD248*	BI-605*
SR-A2480*	JUR248*	CP-35*
SR-2570*	KDD*24*	CT-70J
SR-368*	KUR*24*	FF-1112
SR-4433*	4.8MFR*	FF-1152SS
SR-4310*	5.6MFR*	FF-41ES
HF-5017	MFRA-4GF	FF-43ES
SR-9512*	SR-1031*	FF-71
ARD1031F*	SR-2410K	MURM24*
ARD241*	SR-3620*	2.4*MFR*
ARD298C*	SR-369*	2.9*MFR*
ARD361M*	SR-3720M	3.6MFRA*
ARD369A*	SR-3770S	4.4MFRA
ARD482F*	SR-4800W	10.3*MFR*
ARD560*	SR-4912M	
ARD565P*	SR-5600W	

2. These products have been in distribution in the United States at least since September 8, 2009.

3. Respondent used an improper method for submitting certification information for these basic models by sending them via email to an individual staff member of DOE's Building Technologies Program rather than by using the authorized method set forth in 10 C.F.R.§ 430.62; and

WHEREAS, Respondent Related Parties properly certified all of the basic models listed in Section II(1) above in accordance with applicable DOE regulations and the process set forth in 10 C.F.R. § 430.62 as of October 12, 2010; and

WHEREAS, Respondent commits to certify all of its covered products in accordance with applicable DOE regulations, forthcoming guidance on DOE Rules (including without limitation deadlines for compliance therewith), and the process set forth in 10 C.F.R. § 430.62; and

WHEREAS, DOE concludes that, given the efforts of Respondent to fulfill its certification obligations, assessment of a civil penalty against Respondent or any of the other Respondent Related Parties is not warranted in this case; and

WHEREAS, DOE, as the agency charged with developing and administering a balanced and coordinated national energy policy, concludes that, in light of the circumstances, this Compromise Agreement properly balances the policies recognized in the Energy Policy and Conservation Act and is the appropriate way to resolve this matter; and

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements set forth below, the sufficiency and adequacy of which are hereby acknowledged, the Parties agree as follows:

III. TERMS OF THE AGREEMENT

1. **Adopting Order.** The Parties agree that the provisions of this Compromise Agreement shall be subject to final approval by the General Counsel by incorporation of such provisions by reference in the Adopting Order without change, addition, modification, or deletion.
2. **Jurisdiction and Governing Law.** This Compromise Agreement is entered pursuant to DOE's authority to interpret and enforce its rules for energy efficiency and to enter into its own agreements interpreting and applying those rules. The Parties agree that DOE has jurisdiction over Respondent and primary jurisdiction over the matters contained in this Compromise Agreement and has the authority to enter into this Compromise Agreement.
3. **Effective Date.** The Parties agree that this Compromise Agreement shall become effective on the date on which the General Counsel issues the Adopting Order. Upon release, the Adopting Order and this Compromise Agreement shall have the same force and effect as any other Order of the General Counsel. Any violation of the Adopting Order or of the terms of this Compromise Agreement shall constitute a separate violation of an agency Order, entitling DOE to exercise any rights and remedies attendant to the enforcement of an Agency Order.
4. **Waivers.** Respondent agrees not to seek judicial review or otherwise contest or challenge the validity of the terms set out in this Compromise Agreement, including any right to judicial review that may be available to the Respondent with respect to

the alleged violations set forth in Section III(5) below. If either Party (or the United States on behalf of DOE) brings a judicial action to enforce the terms of this Compromise Agreement, neither Respondent nor DOE shall contest the validity of the Compromise Agreement, and Respondent waives any statutory right to a trial *de novo*. Respondent hereby agrees to waive any claims it may otherwise have under the Equal Access to Justice Act, 5 U.S.C. § 504, relating to the matters addressed in this Compromise Agreement. Nothing in this Compromise Agreement shall preclude Respondent from seeking any available remedy or relief for matters other than those set forth in Section III(5) below, including, without limitation, future alleged violations of the Act or DOE Rules, if any.

5. **Final Settlement.** The Parties agree and acknowledge that this Compromise Agreement shall constitute a final settlement between the Parties as well as a final settlement between DOE and any other Respondent Related Parties. This Compromise Agreement resolves all of the alleged violations set forth in the Notice, and only the alleged violations set forth in the Notice, including the violations alleged as set forth in the Notice concerning (i) the basic models listed in Section II(1) above, and (ii) basic models SR-3500, SR-4705, JUW248*, JUB248*, KBC*24*, MBCM24*, SR-3721MM, BC-1206*, SBC-500* and ARD204AB* and ARD104AB*, which includes model ARD104AB10R/L.

6. **Merger.** This Compromise Agreement constitutes the entire agreement between the Parties and supersedes all previous understandings and agreements between the Parties relating to the subject matter hereof, whether oral or written.

7. **Modifications.** This Compromise Agreement cannot be modified without the advanced-written consent of both Parties.

8. **Invalidity.** In the event that this Compromise Agreement in its entirety is rendered invalid by any court of competent jurisdiction, it shall become null and void and may not be used in any manner in any legal proceeding.

9. **Authorized Representative.** Each party represents and warrants to the other that it has full power and authority to enter into this Compromise Agreement.

10. **Counterparts.** This Compromise Agreement may be signed in any number of counterparts (including by facsimile), each of which, when executed and delivered, shall be an original, and all of which counterparts together shall constitute one and the same fully executed instrument.

Timothy G. Lynch
Deputy General Counsel for
Litigation and Enforcement
U.S. Department of Energy

12 October 2010
Date

Kenji Maru
President
SANYO E&E Corp.

10/12/2010
Date