

¹ All references to the Code of Federal Regulations refer to the January 1, 2015 edition of Title 10 Parts 200-499 of the Code of Federal Regulations.

- (i) “Respondent” means Quietside LLC, and any parent, subsidiary, division or other related entity.

The Agreement further incorporates by reference all of the definitions set forth in 42 U.S.C. §§ 6291 and 10 C.F.R. Parts 429 and 430.

II. RECITALS

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

WHEREAS, DOE has promulgated energy conservation standards for central air conditioners and heat pumps at 10 C.F.R. § 430.32(c); and

WHEREAS, on October 1, 2015, DOE issued a Notice of Noncompliance Determination finding that the split-system central air conditioning heat pump basic model

, consisting of the outdoor model branded and sold as Quietside LLC model QSHC-092 and the indoor model branded and sold as Quietside LLC model QSHE-092 (the “subject model”), manufactured by Respondent, does not comply with the applicable energy conservation standard; and

WHEREAS, the subject model is a “covered product”; and

WHEREAS, the energy conservation standards set forth in 10 C.F.R. § 430.32(c)(1) apply to all units manufactured by Respondent on or after January 23, 2006, and before January 1, 2015; and

WHEREAS, on August 17, 2017, DOE initiated an action to assess a civil penalty for distributing these noncompliant units in commerce in the United States; and

WHEREAS, Respondent admits:

1. Respondent manufactured the subject model;
2. The subject model is subject to the energy conservation standard set forth in 10 C.F.R. § 430.32(c)(1);
3. The subject model does not comply with that energy conservation standard; and
4. Respondent distributed in commerce in the United States at least 710 units of the subject model; and

WHEREAS, DOE, pursuant to 42 U.S.C. §§ 6302, and 6303, and 10 C.F.R. Part 429, Subpart C, is authorized to assess civil monetary penalties against any manufacturer that knowingly distributes in commerce any new covered product that is not in conformity with an applicable energy conservation standard; 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 are 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. **Obligations of Respondent.** Respondent agrees to abide by the terms of the Notice of Noncompliance Determination, issued on October 1, 2015, captioned under case number 2015-SE-16010.
3. **Obligations of DOE.**
 - a. DOE agrees to issue promptly an Adopting Order adopting this Agreement.
 - b. DOE agrees to terminate this enforcement action with prejudice upon Respondent's completion of its Obligations in accordance with paragraph III.2, above.
4. **Jurisdiction.** This Compromise Agreement is entered pursuant to DOE's authority to interpret and enforce its rules for energy conservation 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.
5. **Effective Date.** The Parties agree that this Compromise Agreement will become effective on the date on which the General Counsel issues the Adopting Order. As of that date, the Adopting Order and this Compromise Agreement 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 constitutes a separate violation of an Agency Order, entitling DOE to exercise any rights and remedies attendant to the enforcement of an Agency Order.
6. **Limitations.** Nothing in this agreement binds any other agency of the United States government beyond DOE.
7. **Waivers.** Respondent agrees not to seek judicial review or otherwise contest or challenge the validity of the terms and penalties, as applicable, set out in this Compromise Agreement or the Notice associated with this case, including any right to judicial review that may be available to the Respondent. 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 will 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.
8. **Final Settlement.** The Parties agree and acknowledge that this Compromise Agreement constitutes a final settlement between the Parties. This Compromise Agreement resolves only issues addressed in the Compromise Agreement.
9. **Merger.** This Compromise Agreement constitutes the entire agreement between the Parties and supersedes all previous understandings and agreements between the Parties, whether oral or written.
10. **Modifications.** This Compromise Agreement cannot be modified without the advance written consent of both Parties.
11. **Severability.** If any provision of this agreement is held to be invalid, illegal, void, or unenforceable, then that provision is to be construed by modifying it to the minimum extent necessary to make it enforceable.

12. **Authorized Representative.** Each party represents and warrants to the other that it has full power and authority to enter into this Compromise Agreement.
13. **Counterparts.** This Compromise Agreement may be signed in any number of counterparts (including by facsimile or electronic mail), each of which, when executed and delivered, is an original, and all of which counterparts together constitute one and the same fully executed instrument.

/S/
Laura L. Barhydt
Assistant General Counsel for
Enforcement
U.S. Department of Energy

Sept. 20, 2017
Date

/S/
(Signature)
Typed Name: Russell Tavalacci
Title: Senior Vice President
Company Name: Samsung HVAC, LLC (f/k/a Quietside LLC)

9/8/2017
Date