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Attorneys for Plaintiff  
 17 UNITED STATES OF AMERICA

18 UNITED STATES DISTRICT COURT  
 19 FOR THE CENTRAL DISTRICT OF CALIFORNIA

20 UNITED STATES OF AMERICA, 21 Plaintiff, 22 v. 23 GREE USA, INC., 24 Defendant. 25	No. CR 2:21-CR-00498-MCS  <u>PLEA AGREEMENT FOR DEFENDANT</u> <u>GREE USA, INC.</u>
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26 1. This constitutes the plea agreement between GREE USA, INC.  
 27 ("defendant") and the United States Department of Justice's Consumer  
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1 Protection Branch ("CPB") and the United States Attorney's Office for  
2 the Central District of California ("USAO" and collectively with the  
3 CPB, the "government") in the above-captioned case. This agreement  
4 is limited to the CPB and the USAO, and cannot bind any other  
5 federal, state, local, or foreign prosecuting, enforcement,  
6 administrative, or regulatory authorities.

7 RULE 11(c)(1)(C) AGREEMENT

8 2. Defendant understands that this agreement is entered under  
9 Federal Rule of Criminal Procedure 11(c)(1)(C). Accordingly,  
10 defendant understands that, if the Court determines that it will not  
11 accept this agreement, absent a breach of this agreement by defendant  
12 prior to that determination and whether or not defendant elects to  
13 withdraw any guilty pleas entered pursuant to this agreement, this  
14 agreement will, with the exception of Paragraph 39, be rendered null  
15 and void and both defendant and the government will be relieved of  
16 their obligations under this agreement. Defendant agrees, however,  
17 that if defendant breaches this agreement prior to the Court's  
18 determination whether or not to accept this agreement, the breach  
19 provisions of this agreement, Paragraphs 41-48 below, will control,  
20 with the result that defendant will not be able to withdraw any  
21 guilty plea entered pursuant to this agreement, the government will  
22 be relieved of all of its obligations under this agreement, the  
23 Court's failure to follow any recommendation or request regarding  
24 sentence set forth in this agreement will not provide a basis for  
25 defendant to withdraw defendant's guilty plea, and defendant will  
26 thereafter be subject to prosecution for any federal criminal  
27 violation of which the government has knowledge.

28

DEFENDANT'S OBLIGATIONS

3. Defendant agrees to:

a. Give up the right to indictment by a grand jury and, at the earliest opportunity requested by the government and provided by the Court, appear and plead guilty to the one-count information in the form attached to this agreement as Exhibit A or a substantially similar form, charging defendant with Failure to Furnish Information Required by 15 U.S.C. § 2064(b), in violation of 15 U.S.C. §§ 2068(a)(4) and 2070.

b. Not contest facts agreed to in this agreement.

c. Affirmatively recommend to the Court that it impose sentence in accordance with Paragraph 33 of this agreement.

d. Pay restitution as set forth in Paragraphs 10-19 of this agreement.

e. Cooperate with the government as set forth in Paragraph 9 of this agreement.

f. Fully implement the Enhanced Compliance Measures contained in Exhibit D of this agreement.

g. Appear for all court appearances, obey all conditions of any bond, and obey any other ongoing court order in this matter.

h. Not commit any crime; however, offenses that would be excluded for sentencing purposes under United States Sentencing Guidelines ("U.S.S.G." or "Sentencing Guidelines") § 4A1.2(c) are not within the scope of this agreement.

i. Be truthful at all times with Pretrial Services, the United States Probation Office, and the Court.

j. Pay the applicable special assessment at or before the time of sentencing.

1 k. Not seek the discharge of any restitution obligation,  
2 in whole or in part, in any present or future bankruptcy proceeding.

3 THE GOVERNMENT'S OBLIGATIONS

4 4. The government agrees to:

5 a. Not contest facts agreed to in this agreement.

6 b. Affirmatively recommend to the Court that it impose  
7 sentence in accordance with Paragraph 33 of this agreement.

8 c. Except for criminal tax violations (including  
9 conspiracy to commit such violations chargeable under 18 U.S.C.  
10 § 371), not further criminally prosecute defendant and/or related  
11 parent and subsidiary companies for violations arising out of the  
12 conduct described in this agreement and the agreed Statement of Facts  
13 attached to this agreement as Exhibit B (the "Covered Conduct").  
14 Defendant understands that the government is free to prosecute  
15 defendant criminally for any other unlawful past conduct or any  
16 unlawful conduct that occurs after the date of this agreement.  
17 Defendant agrees that at the time of sentencing the Court may  
18 consider uncharged conduct in determining the applicable Sentencing  
19 Guidelines range, the propriety and extent of any departure from that  
20 range, and the sentence to be imposed after consideration of the  
21 Sentencing Guidelines and all other relevant factors under 18 U.S.C.  
22 § 3553(a).

23 CORPORATE AUTHORIZATION

24 5. Defendant represents that it is authorized to enter into  
25 this agreement. On or before the plea hearing pursuant to this  
26 agreement, defendant shall provide the government and the Court with  
27 a legal document certifying that defendant is authorized to enter  
28 into and comply with all of the provisions of this agreement. Such

1 corporate resolution shall designate a company representative for  
2 defendant who is authorized to take the actions specified in this  
3 agreement, and shall also state that all legal formalities for such  
4 authorizations have been observed in the form attached to this  
5 agreement.

6 ORGANIZATIONAL CHANGES AND APPLICABILITY

7 6. This agreement shall bind defendant, its successor entities  
8 (if any), parent companies, and any other person or entity that  
9 assumes the liabilities contained herein ("successors-in-interest").  
10 Defendant, or its successors-in-interest, if applicable, shall  
11 provide the government with notice in writing at least fifteen (15)  
12 days before of any name change, business reorganization, sale or  
13 purchase of assets, divestiture of assets, or similar action  
14 impacting defendant's ability to pay the fine or affecting this  
15 agreement. No change in name, change in corporate or individual  
16 control, business reorganization, change in ownership, merger, change  
17 of legal status, sale or purchase of assets, or similar action shall  
18 alter defendant's responsibilities under this agreement. Defendant  
19 shall not engage in any action to seek to avoid the obligations and  
20 conditions set forth in this agreement.

21 NATURE OF THE OFFENSE

22 7. Defendant understands that for defendant to be guilty of  
23 the crime charged in the single-count information, that is, Failure  
24 to Furnish Information Required by 15 U.S.C. § 2064(b)(3) and (4), in  
25 violation of Title 15, United States Code, Sections 2068(a)(4) and  
26 2070, the following must be true: defendant knowingly and willfully  
27 failed immediately to inform the United States Consumer Product  
28 Safety Commission upon obtaining information which reasonably

1 supported the conclusion that defendant's dehumidifiers contained a  
2 defect which created a substantial product hazard, that is, a  
3 substantial risk of injury to the public, and created an unreasonable  
4 risk of serious injury or death.

5 PENALTIES

6 8. Defendant understands that the statutory maximum sentence  
7 that the Court can impose for a violation of Title 15, United States  
8 Code, Sections 2068(a)(4) and 2070, is: a five (5) year period of  
9 probation; a fine of five hundred thousand dollars (\$500,000) or  
10 twice the gross gain or gross loss resulting from the offense,  
11 whichever is greatest; and a mandatory special assessment of four  
12 hundred dollars (\$400).

13 COOPERATION

14 9. Defendant agrees to cooperate fully with the government in  
15 any and all matters relating to the Covered Conduct until the date  
16 upon which all investigations and prosecutions arising out of the  
17 Covered Conduct are concluded. Defendant's cooperation pursuant to  
18 this paragraph is subject to applicable laws and regulations, as well  
19 as valid claims of attorney-client privilege or attorney work product  
20 doctrine. However, defendant must provide to the government a log of  
21 any document or information that is not provided based on an  
22 assertion of law, regulation, or privilege, and defendant bears the  
23 burden of establishing the validity of any such assertions. This  
24 cooperation shall include, but is not limited to the following:

25 a. Defendant shall truthfully disclose all information  
26 not protected by a valid claim of attorney-client privilege with  
27 respect to its activities and those of any of its present and former  
28 directors, officers, employees, agents, representatives, and any

1 others concerning all matters about which the government may inquire.  
2 This obligation of truthful disclosure includes defendant's  
3 obligation to assemble, organize, and provide the government all non-  
4 privileged documents, records, or other tangible evidence in the  
5 defendant's custody or control as the government may reasonably  
6 request.

7           b. Defendant shall provide testimony or information  
8 necessary to identify or establish the original location,  
9 authenticity, or other basis for admission into evidence of documents  
10 or other tangible evidence in any criminal, legal, court or other  
11 proceeding as the government may request.

12           c. Defendant shall, using its reasonable best efforts,  
13 make available its present and former officers, directors and  
14 employees to provide information and/or testimony as the government  
15 may request, including testimony before a grand jury, a trial court,  
16 or other legal or court proceeding, as well as interviews with law  
17 enforcement authorities. Defendant's cooperation under this  
18 paragraph shall include identification of witnesses who have material  
19 information relating to the Covered Conduct, including identification  
20 of witnesses who have particular types of material information  
21 requested by the government. It is further understood that defendant  
22 must at all times provide complete, truthful, and accurate  
23 information.

24           d. Defendant (and its directors, officers, employees,  
25 agents, and representatives) shall testify truthfully before the  
26 grand jury and at any trial or other proceeding with respect to any  
27 matters about which they may be questioned. Defendant (and its  
28 directors, officers, employees, agents, and representatives) shall at

1 all times give complete, truthful, and accurate information and  
2 testimony. Defendant (and its directors, officers, employees,  
3 agents, and representatives) shall neither attempt to protect any  
4 person who has been involved in criminal activity, nor falsely  
5 implicate anyone in criminal activity.

6 RESTITUTION

7 10. Defendant agrees to pay restitution under 18 U.S.C.  
8 § 3663(a)(3) to individuals who were directly and proximately harmed,  
9 either through physical injury or financial loss, by a fire or  
10 overheating caused by one of the defendant's dehumidifiers that were  
11 manufactured by co-defendant GREE ELECTRIC APPLIANCES, INC. OF ZHUHAI  
12 in 2010 through 2013, sold in the United States, and subject to the  
13 recall that co-defendant GREE ELECTRIC APPLIANCES, INC. OF ZHUHAI  
14 announced on September 12, 2013, expanded on January 30, 2014, and  
15 re-announced on November 29, 2016. The restitution owed to such  
16 individuals shall be reduced by the amount of compensation that they  
17 have already received for their losses through earlier payments from  
18 the defendant, co-defendants GREE ELECTRIC APPLIANCES, INC. OF  
19 ZHUHAI, HONG KONG GREE ELECTRIC APPLIANCES SALES CO., LTD., or other  
20 sources, including but not limited to, insurance.

21 11. Defendant agrees to pay restitution under 18 U.S.C.  
22 § 3663(a)(3) to entities that were directly and proximately harmed by  
23 a fire or overheating that was caused by one of the defendant's  
24 dehumidifiers that were manufactured by co-defendant GREE ELECTRIC  
25 APPLIANCES, INC. OF ZHUHAI in 2010 through 2013, sold in the United  
26 States, and subject to the recall that co-defendant GREE ELECTRIC  
27 APPLIANCES, INC. OF ZHUHAI announced on September 12, 2013, expanded  
28 on January 30, 2014, and re-announced on November 29, 2016. The



1 restitution owed to such entities shall be reduced by the amount of  
2 compensation that they have already received for their losses through  
3 earlier payments from the defendant, co-defendants GREE ELECTRIC  
4 APPLIANCES, INC. OF ZHUHAI, HONG KONG GREE ELECTRIC APPLIANCES SALES  
5 CO., LTD., or other sources, including but not limited to, insurance.

6 12. Defendant agrees that all such individuals and entities  
7 mentioned in Paragraphs 10 and 11 are victims of the crime to which  
8 it is pleading guilty or other uncharged crimes related to the crime  
9 to which it is pleading guilty. In exchange for the government not  
10 charging additional crimes against defendant, defendant agrees to pay  
11 the restitution set forth in Paragraphs 10-19, even though the  
12 defendant will not be convicted of those additional crimes. These  
13 additional crimes give rise to this agreement and include offenses  
14 against property under Title 18, United States Code, for which  
15 restitution may be ordered under 18 U.S.C. § 3663A(c)(1).

16 13. Defendant and the government request that the Court appoint  
17 a United States Magistrate Judge or Special Master under 18 U.S.C.  
18 § 3664(d)(6) as appropriate and necessary to determine the proper  
19 payment of the restitution set forth in Paragraphs 10 and 11.

20 Defendant and the government request that the United States  
21 Magistrate Judge or Special Master, as determined by the Court, make  
22 findings of fact regarding:

23 a. Who should receive restitution under Paragraphs 10 and  
24 11; and

25 b. The restitution amounts that these individuals and  
26 entities should receive.

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1           14. In connection with the administration and disposition of  
2 restitution in this matter, defendant and the government request that  
3 the United States Magistrate Judge or Special Master:

4           a. Notify potential claimants of the restitution claim  
5 process within one hundred twenty (120) days of the defendant's  
6 sentencing proceeding;

7           b. Collect restitution claims for a period of one hundred  
8 eighty (180) days after the date of the last notice to potential  
9 claimants. Restitution claims submitted later than one hundred  
10 eighty (180) days after the date of the last notice to potential  
11 claimants are not eligible for restitution;

12           c. Determine the validity of each submitted restitution  
13 claim, and for each valid claim, determine the amount of restitution  
14 owed for that claim;

15           d. Implement appropriate procedures necessary to carry  
16 out the foregoing duties within one hundred twenty (120) days of the  
17 sentencing proceeding;

18           e. Promptly notify defendant, co-defendants GREE ELECTRIC  
19 APPLIANCES, INC. OF ZHUHAI, HONG KONG GREE ELECTRIC APPLIANCES SALES  
20 CO., LTD., and the government of all claims received; and

21           f. Report to the Court every sixty (60) days following  
22 the defendant's sentencing proceeding on the status of the United  
23 States Magistrate Judge's or Special Master's work to date,  
24 anticipated future efforts, and any matters the United States  
25 Magistrate Judge or Special Master believes require the Court's  
26 attention.

27           15. If the United States Magistrate Judge or Special Master  
28 decides that restitution is owed on a claim, defendant will pay that

1 claim within ten (10) days after the United States Magistrate's or  
2 Special Master's decision becomes final. The United States  
3 Magistrate Judge's or Special Master's decision becomes final forty-  
4 five (45) days after the first notice of the decision to defendant,  
5 co-defendant GREE ELECTRIC APPLIANCES, INC. OF ZHUHAI, or co-  
6 defendant HONG KONG GREE ELECTRIC APPLIANCES SALES CO., LTD.

7 a. Defendant will pay any restitution award of fifty  
8 thousand dollars (\$50,000) or less within ten days after the United  
9 States Magistrate Judge's or Special Master's decision becomes final.  
10 Defendant has no right to appeal any decision awarding restitution of  
11 fifty thousand dollars (\$50,000) or less.

12 b. Defendant may appeal in a court of competent  
13 jurisdiction any decision awarding restitution greater than fifty  
14 thousand dollars (\$50,000). If defendant appeals or challenges the  
15 United States Magistrate Judge's or Special Master's decision within  
16 forty-four (44) days after the first notice of the decision to  
17 defendant, co-defendant GREE ELECTRIC APPLIANCES, INC. OF ZHUHAI, or  
18 co-defendant HONG KONG GREE ELECTRIC APPLIANCES SALES CO., LTD., the  
19 United States Magistrate Judge's or Special Master's decision does  
20 not become final until all of defendant's appeals have been  
21 exhausted.

22 c. All decisions by the United States Magistrate Judge or  
23 Special Master will be vested in their discretion and, if contested,  
24 will be reviewed under the arbitrary-and-capricious standard set  
25 forth in 5 U.S.C. § 706(2)(A). Review of any decision by the United  
26 States Magistrate Judge or Special Master will be based exclusively  
27 on the written record before the United States Magistrate Judge or  
28 Special Master at the time of the decision. No discovery will be

1 taken in a challenge to the United States Magistrate Judge's or  
2 Special Master's decision.

3 16. Defendant will have a reasonable opportunity to investigate  
4 and challenge any claim before the United States Magistrate Judge or  
5 Special Master makes a decision. Defendant's reasonable opportunity  
6 to investigate and challenge a claim will not exceed six (6) months  
7 from the first notification to defendant, co-defendant GREE ELECTRIC  
8 APPLIANCES, INC. OF ZHUHAI, or co-defendant HONG KONG GREE ELECTRIC  
9 APPLIANCES SALES CO., LTD. of the claim, unless the United States  
10 Magistrate Judge or Special Master decides to extend the time for  
11 defendant to investigate and challenge a claim. In no event will  
12 defendant's opportunity to investigate and challenge a claim exceed  
13 twelve (12) months after the first notification to defendant, co-  
14 defendant GREE ELECTRIC APPLIANCES, INC. OF ZHUHAI, or co-defendant  
15 HONG KONG GREE ELECTRIC APPLIANCES SALES CO., LTD. of the claim.

16 17. The United States Magistrate Judge or Special Master may  
17 request from the Court a reasonable extension of the time periods in  
18 the preceding paragraphs as circumstances warrant.

19 18. Defendant shall promptly provide to the United States  
20 Magistrate Judge or Special Master all documentary materials or  
21 testimonial information reasonably requested by the United States  
22 Magistrate Judge or Special Master, subject to applicable laws and  
23 regulations, as well as valid claims of attorney-client privilege or  
24 attorney work product doctrine. However, defendant must provide to  
25 the government a log of any document or information that is not  
26 provided based on an assertion of law, regulation, or privilege, and  
27 defendant bears the burden of establishing the validity of any such  
28 assertions.

1           19. Defendant shall pay in full any costs, fees, and expenses  
2 the United States Magistrate Judge or Special Master incurs in  
3 carrying out his or her duties separate and apart from any  
4 restitution paid to victims with valid restitution claims.

5                           SUSPENSION, REVOCATION, AND DEBARMENT

6           20. Defendant understands that if defendant holds any  
7 regulatory licenses or permits, the conviction in this case may  
8 result in the suspension or revocation of those licenses and permits.  
9 The government makes no representation or promise concerning  
10 suspension or debarment of defendant from contracting with the United  
11 States or with any office, agency, or department thereof. Suspension  
12 and debarment of organizations convicted under various federal  
13 criminal statutes is a discretionary administrative action solely  
14 within the authority of the federal contracting agencies. Defendant  
15 understands that unanticipated collateral consequences such as this  
16 will not serve as grounds to withdraw defendant's guilty plea.

17                           FACTUAL BASIS

18           21. Defendant admits that defendant is, in fact, guilty of the  
19 offense to which defendant is agreeing to plead guilty. Defendant  
20 further admits that it is responsible for the acts of its employees,  
21 directors, officers, and agents, as set forth in the Statement of  
22 Facts attached hereto as Exhibit B and incorporated by reference  
23 herein. Defendant and the government agree to the Statement of  
24 Facts, and agree that this Statement of Facts is sufficient to  
25 support a plea of guilty for defendant to the charge described in  
26 this agreement, and to establish the Sentencing Guidelines factors  
27 set forth in Paragraphs 30 and 31 below as well as the fine, and  
28 restitution payments specified in this agreement. Defendant and the

1 government also agree that the Statement of Facts is not meant to be  
2 a complete recitation of all facts relevant to the underlying  
3 criminal conduct or all facts known to either party that relate to  
4 that conduct.

5 COMPLIANCE PROGRAM

6 22. Defendant further agrees to comply with the terms of the  
7 Enhanced Compliance Measures as set forth in Exhibit D to this  
8 agreement and incorporated by reference herein, and to institute and  
9 maintain, at a minimum, the policies and procedures as described  
10 therein, which are intended to prevent future violations of law,  
11 including the Consumer Product Safety Act, 15 U.S.C. § 2051 *et seq.*  
12 ("CPSA"), and its implementing regulations.

13 PUBLICATION

14 23. Within ten (10) days of the filing of this agreement,  
15 defendant agrees to make the information, this agreement, and the  
16 Statement of Facts conspicuously available to the public on the Gree  
17 website (<https://global.gree.com/usa/>) for two (2) years after the  
18 filing of this agreement.

19 NOTICE

20 24. Notice shall be effective upon actual receipt by the  
21 government or the defendant.

22 25. Any notice to the defendant under this agreement shall be  
23 given by: (1) email to an email address provided by the defendant;  
24 and (2) personal delivery, overnight delivery by a recognized  
25 delivery service, or registered or certified mail, addressed to:

26 James M. Koukios  
27 Sophia H. Cash  
28 Morrison & Foerster LLP  
2100 L Street, NW, Suite 900  
Washington, DC 20037

1           26. Any notice to the government under this agreement shall be  
2 given by: (1) email to an email address provided by the government;  
3 and (2) personal delivery, or overnight delivery by a recognized  
4 delivery service addressed to the following:

5           Director, Consumer Protection Branch  
6           U.S. Department of Justice  
7           450 5th St NW, Suite 6400 South  
8           Washington, DC 20001

9           and

10          Chief, Environmental & Community  
11          Safety Crimes Section  
12          U.S. Attorney's Office  
13          Central District of California  
14          1300 United States Courthouse  
15          312 North Spring Street  
16          Los Angeles, California 90012

17   SENTENCING FACTORS AND AGREED-UPON SENTENCE

18           27. Defendant understands that in determining defendant's  
19 sentence the Court is required to calculate the applicable Sentencing  
20 Guidelines range and to consider that range, possible departures  
21 under the Sentencing Guidelines, and the other sentencing factors set  
22 forth in 18 U.S.C. § 3553(a). Defendant understands that the  
23 Sentencing Guidelines are advisory only.

24           28. Defendant and the government agree that the 2018 United  
25 States Sentencing Guidelines are applicable to the defendant's  
26 sentencing.

27           29. Defendant and the government stipulate and agree that  
28 U.S.S.G. § 2B1.1 applies to the defendant's sentencing pursuant to  
29 U.S.S.G. § 2N2.1(c) (1).

30           30. Defendant and the government stipulate and agree to the  
31 following applicable Sentencing Guidelines factors:

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<u>Base Offense Level:</u>	6	[U.S.S.G. § 2B1.1(a)(2)]
<u>Specific Offense Characteristics:</u>		
Loss of More Than \$9,500,000	+20	[U.S.S.G. § 2B1.1(b)(1)(K)]
Resulted in Substantial Financial Hardship to Five or More Victims	+4	[U.S.S.G. § 2B1.1(b)(2)(B)]
Substantial Part of Scheme Committed Outside the United States/Involved Sophisticated Means	+2	[U.S.S.G. § 2B1.1(b)(10)]
Involved Conscious or Reckless Risk of Death or Serious Bodily Injury	+2	[U.S.S.G. § 2B1.1(b)(16)(A)]
<u>Total Offense Level:</u>	34	

31. Defendant and the government further stipulate and agree to the following applicable Sentencing Guidelines factors:

a. The defendant's base fine pursuant to U.S.S.G. § 8C2.4(e) is twenty-eight million, five hundred thousand dollars (\$28,500,000), the amount from the offense level fine table based on the defendant's offense level.

b. Defendant's culpability score pursuant to U.S.S.G. § 8C2.5 is five (5), calculated as follows:

i. U.S.S.G. § 8C2.5(a) - Base Culpability Score: five (5).

ii. U.S.S.G. § 8C2.5(b)(4) - the organization had 50 or more employees and an individual within substantial authority personnel participated in, condoned, or was willfully ignorant of the offense: plus two (+2).



1                   iii. U.S.S.G. § 8C2.5(g)(2) - the organization fully  
2 cooperated in the investigation and clearly demonstrated recognition  
3 and affirmative acceptance of responsibility for its criminal  
4 conduct: minus two (-2).

5                   c. Defendant's fine multiplier range with a culpability  
6 score of five (5) pursuant to U.S.S.G. § 8C2.6 is one (1) to two (2).

7                   d. Defendant's fine range pursuant to U.S.S.G. § 8C2.7 is  
8 twenty-eight million, five hundred thousand dollars (\$28,500,000) to  
9 fifty-seven million dollars (\$57,000,000).

10                  32. Defendant and the government agree not to argue that any  
11 other specific offense characteristics, adjustments, or departures be  
12 imposed.

13                  33. Defendant and the government stipulate and agree that,  
14 taking into account the factors listed in 18 U.S.C. § 3553(a),  
15 defendant shall be sentenced as follows:

16                  a. Criminal Fine: Pursuant to Paragraph 28 of the  
17 Deferred Prosecution Agreement with co-defendants GREE ELECTRIC  
18 APPLIANCES, INC. OF ZHUHAI and HONG KONG GREE ELECTRIC APPLIANCES  
19 SALES CO., LTD., co-defendants GREE ELECTRIC APPLIANCES, INC. OF  
20 ZHUHAI and HONG KONG GREE ELECTRIC APPLIANCES SALES CO., LTD. have  
21 agreed to pay a criminal penalty of fifty-two million two hundred  
22 thousand dollars (\$52,200,000) to the United States relating to the  
23 same underlying conduct of defendant described herein. Defendant is  
24 the United States subsidiary of co-defendants GREE ELECTRIC  
25 APPLIANCES, INC. OF ZHUHAI and HONG KONG GREE ELECTRIC APPLIANCES  
26 SALES CO., LTD. In conjunction with co-defendants' deferred  
27 prosecution agreement and pursuant to Federal Rule of Criminal  
28 Procedure 11(c)(1)(C), the government and defendant agree that

1 defendant shall pay a total criminal fine in the amount of five  
 2 hundred thousand dollars (\$500,000) as to the count of conviction.  
 3 The criminal fine shall be paid within ten (10) business days of the  
 4 entry of judgment by wire transfer to the Clerk of the United States  
 5 District Court for the Central District of California, and  
 6 confirmation of the completed wire transfer shall be provided to the  
 7 government.

8           b. Special Assessment: Defendant shall pay a mandatory  
 9 special assessment in the amount of four hundred dollars (\$400).

10           c. Restitution: Defendant shall be ordered to pay  
 11 restitution as set forth in Paragraphs 10-19 above.

12   WAIVER OF CONSTITUTIONAL RIGHTS

13           34. Defendant understands that by pleading guilty, defendant  
 14 gives up the following rights:

15           a. The right to persist in a plea of not guilty.

16           b. The right to a speedy and public trial by jury.

17           c. The right to be represented by counsel at trial.

18 Defendant understands, however, that, defendant retains the right to  
 19 be represented by counsel at all other proceedings.

20           d. The right to be presumed innocent and to have the  
 21 burden of proof placed on the government to prove defendant guilty  
 22 beyond a reasonable doubt.

23           e. The right to confront and cross-examine witnesses  
 24 against defendant.

25           f. The right to testify and to present evidence in  
 26 opposition to the charges, including the right to compel the  
 27 attendance of witnesses to testify.

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1           g. Any and all rights to pursue any affirmative defenses,  
2 Fourth Amendment or Fifth Amendment claims, and other pretrial  
3 motions that have been filed or could be filed.

4                                   WAIVER OF STATUTE OF LIMITATIONS

5           35. Having been fully advised by defendant's attorneys  
6 regarding application of the statute of limitations to the offense to  
7 which defendant is pleading guilty, defendant hereby knowingly,  
8 voluntarily, and intelligently waives, relinquishes, and gives up:

9           a. any right that defendant might have not to be  
10 prosecuted for the offense to which defendant is pleading guilty  
11 because of the expiration of the statute of limitations for the  
12 offense prior to the filing of the information alleging the offense;  
13 and

14           b. any defense, claim, or argument defendant could raise  
15 or assert that prosecution of the offense to which defendant is  
16 pleading guilty is barred by the expiration of the applicable statute  
17 of limitations, pre-indictment delay, or any speedy trial violation.

18                                   WAIVER OF APPEAL OF CONVICTION

19           36. Defendant understands that, with the exception of an appeal  
20 based on a claim that defendant's guilty plea was involuntary, by  
21 pleading guilty defendant is waiving and giving up any right to  
22 appeal its conviction on the offense to which defendant is pleading  
23 guilty.

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1                                    LIMITED MUTUAL WAIVER OF APPEAL OF SENTENCE

2            37. Defendant agrees that, provided the Court imposes the  
3 sentence specified in Paragraph 33 above, defendant gives up the  
4 right to appeal any portion of that sentence.

5            38. The government agrees that, provided the Court imposes the  
6 sentence specified in Paragraph 33 above, the government gives up its  
7 right to appeal any portion of that sentence.

8                                    RESULT OF WITHDRAWAL OF GUILTY PLEA

9            39. Defendant agrees that if, after entering a guilty plea  
10 pursuant to this agreement, defendant seeks to withdraw and succeeds  
11 in withdrawing the defendant's guilty plea on any basis other than a  
12 claim and finding that entry into this plea agreement was  
13 involuntary, then:

14                    a. the government will be relieved of all of its  
15 obligations under this agreement; and

16                    b. should the government choose to pursue any charge or  
17 any civil, administrative, or regulatory action that was either  
18 dismissed or not filed as a result of this agreement, then:

19                            i. any applicable statute of limitations will be  
20 tolled between October 25, 2017, and the filing or commencing of any  
21 such action;

22                            ii. defendant waives and gives up all defenses based  
23 on the statute of limitations, any claim of pre-indictment delay, or  
24 any speedy trial claim with respect to any such action, except to the  
25 extent that such defenses existed as of October 25, 2017; and

26                            iii. defendant waives the rights enumerated in Federal  
27 Rule of Criminal Procedure 11(f) and Federal Rule of Evidence 410  
28 with respect to the Statement of Facts in Exhibit B to this agreement

1 making the Statement of Facts admissible against it for any purpose  
2 in any federal criminal, civil, administrative or regulatory  
3 proceeding so long as the government has fulfilled all of its  
4 obligations in this agreement and the Court has imposed the agreed-  
5 upon sentence before defendant withdraws its guilty plea. Defendant  
6 acknowledges that Federal Rule of Criminal Procedure 11(f) and  
7 Federal Rule of Evidence 410 limit the admissibility of statements  
8 made in the course of plea proceedings or plea discussions in both  
9 civil and criminal proceedings, if the guilty plea is later  
10 withdrawn. Defendant expressly warrants that it understands these  
11 rules and makes this waiver after having discussed these rules with  
12 its counsel.

13 EFFECTIVE DATE OF AGREEMENT

14 40. This agreement is effective upon signature and execution of  
15 all required certifications by defendant, defendant's counsel, and a  
16 CPB Trial Attorney and an Assistant United States Attorney.

17 BREACH OF AGREEMENT

18 41. Defendant breaches this agreement if defendant, at any time  
19 after the Effective Date of this Agreement:

- 20 a. commits any felony under United States law;
- 21 b. provides in connection with this agreement  
22 deliberately false, incomplete, or misleading information;
- 23 c. fails to cooperate as set forth in Paragraph 9 of this  
24 agreement;
- 25 d. fails to implement fully the Enhanced Compliance  
26 Measures as set forth in Exhibit D of this agreement; or

27  
28

1 e. otherwise fails to perform or to fulfill completely  
2 each of defendant's obligations under this agreement, including the  
3 obligation to pay restitution as set forth in Paragraphs 10-19.

4 42. Defendant's breach of this agreement shall result in the  
5 following:

6 a. defendant will not be able to withdraw its guilty plea  
7 if defendant has previously entered a guilty plea pursuant to this  
8 agreement;

9 b. the government will be relieved of all of its  
10 obligations under this agreement;

11 c. the Court's failure to follow any recommendation or  
12 request regarding defendant's sentence set forth in this agreement  
13 will not provide a basis for defendant to withdraw defendant's guilty  
14 plea; and

15 d. defendant will thereafter be subject to prosecution  
16 for any federal criminal violation of which the government has  
17 knowledge, including, but not limited to, federal criminal violations  
18 relating to the conduct set forth in the Statement of Facts in  
19 Exhibit B of this agreement, which may be pursued by the government  
20 in the United States District Court for the Central District of  
21 California or any other appropriate venue.

22 43. Determination of whether defendant has breached this  
23 agreement shall be in the government's sole discretion.

24 Determination of whether conduct or statements of any current  
25 director, officer or employee, or any person acting on behalf of, or  
26 at the direction of, defendant, will be imputed to defendant for the  
27 purpose of determining whether defendant has breached this agreement  
28 shall be in the government's sole discretion.

1           44. If the government receives evidence that defendant has  
2 breached this agreement, the government agrees to give defendant  
3 written notice of any alleged breach before making a determination of  
4 whether defendant has breached this agreement. Within forty-five  
5 (45) days of receipt of such notice, defendant shall have the  
6 opportunity to respond to the government in writing to explain the  
7 nature and circumstances of such alleged breach, as well as the  
8 actions defendant has taken to address and remediate the situation.  
9 The government shall consider defendant's written explanation before  
10 making a determination of whether defendant has breached this  
11 agreement.

12           45. Determination of whether to pursue prosecution of defendant  
13 after breach of this agreement pursuant to Paragraph 42.d shall be in  
14 the government's sole discretion. The government shall consider  
15 defendant's written explanation of its breach provided for in  
16 Paragraph 44 before determining whether to pursue prosecution of  
17 defendant.

18           46. Any prosecution of defendant pursuant to Paragraph 42.d may  
19 be premised on information provided by defendant. Any such  
20 prosecution relating to the conduct described in the Statement of  
21 Facts in Exhibit B of this agreement or relating to conduct known to  
22 the government before October 25, 2017, that was not time-barred by  
23 the applicable statute of limitations on October 25, 2017, may be  
24 commenced against defendant, notwithstanding the expiration of the  
25 statute of limitations, between October 25, 2017, and the  
26 government's written notice of alleged breach plus one (1) year.  
27 Thus, by signing this agreement, defendant agrees that the statute of  
28 limitations with respect to any prosecution pursuant to

1 Paragraph 42.d that was not time-barred on October 25, 2017, shall be  
2 tolled until one (1) year after any government written notice of  
3 alleged breach of this agreement. Defendant gives up all defenses  
4 based on the statute of limitations, any claim of pre-indictment  
5 delay, or any speedy trial claim with respect to any prosecution  
6 pursuant to Paragraph 42.d, except to the extent that such defenses  
7 existed on October 25, 2017.

8 47. In the event that the government determines that defendant  
9 has breached this agreement:

10 a. all statements made by or on behalf of defendant to  
11 the government or to the Court, including the Statement of Facts in  
12 Exhibit B of this agreement, and any testimony given by defendant  
13 before a grand jury, a court, or any tribunal, or at any legislative  
14 hearings, whether before or after this agreement, and any leads  
15 derived from such statements or testimony, shall be admissible in  
16 evidence in any and all criminal proceedings brought by the  
17 government against defendant; and

18 b. defendant shall not assert any claim under the United  
19 States Constitution, Rule 11(f) of the Federal Rules of Criminal  
20 Procedure, Rule 410 of the Federal Rules of Evidence, or any other  
21 federal rule that any such statements or testimony made by or on  
22 behalf of defendant before or after this agreement, or any leads  
23 derived therefrom, should be suppressed or are otherwise  
24 inadmissible.

25 48. Defendant acknowledges that the government has made no  
26 representations, assurances, or promises concerning what sentence may  
27 be imposed by the Court if defendant breaches this agreement and this  
28 matter proceeds to judgment. Defendant further acknowledges that any



1 such sentence is solely within the discretion of the Court and that  
2 nothing in this agreement binds or restricts the Court in the  
3 exercise of its discretion.

4 COURT AND PROBATION OFFICE NOT PARTIES

5 49. Defendant understands that the Court and the United States  
6 Probation Office are not parties to this agreement and need not  
7 accept any of the government's sentencing recommendations or the  
8 parties' agreements to facts, sentencing factors, or sentencing.  
9 Defendant understands that the Court will determine the facts,  
10 sentencing factors, and other considerations relevant to sentencing  
11 and will decide for itself whether to accept and agree to be bound by  
12 this agreement.

13 50. Defendant understands that both defendant and the  
14 government are free to:

15 a. supplement the facts by supplying relevant information  
16 to the United States Probation Office and the Court;

17 b. correct any and all factual misstatements relating to  
18 the Court's Sentencing Guidelines calculations and determination of  
19 sentence; and

20 c. argue on any appeal and collateral review that the  
21 Court's Sentencing Guidelines calculations and the sentence it  
22 chooses to impose are not error, although each party agrees to  
23 maintain its view that the conclusions, calculations and sentence  
24 referenced in Paragraphs 28-31 and 33 are consistent with the facts  
25 of this case.

26 While this paragraph permits both the government and defendant  
27 to submit full and complete factual information to the United States  
28 Probation Office and the Court, even if that factual information may

1 be viewed as inconsistent with the facts agreed to in this agreement,  
2 this paragraph does not affect defendant's and the government's  
3 obligations not to contest the facts agreed to in this agreement.

4 NO ADDITIONAL AGREEMENTS

5 51. Defendant understands that, except as set forth herein,  
6 there are no promises, understandings, or agreements between the  
7 government and defendant or defendant's attorneys, and that no  
8 additional promise, understanding, or agreement may be entered into  
9 unless in a writing signed by all parties or on the record in court.

10 PLEA AGREEMENT PART OF THE GUILTY PLEA HEARING

11 52. The parties agree that this agreement will be considered  
12 part of the record of defendant's guilty plea hearing as if the  
13 entire agreement had been read into the record of the proceedings.

14  
15 AGREED AND ACCEPTED

16 UNITED STATES ATTORNEY'S OFFICE  
17 FOR THE CENTRAL DISTRICT OF  
18 CALIFORNIA

19 TRACY L. WILKISON  
Acting United States Attorney  
20 SCOTT M. GARRINGER  
Assistant United States Attorney  
21 Chief, Criminal Division

22 Joseph O. Johns  
23 JOSEPH O. JOHNS by AAG  
24 DENNIS MITCHELL  
25 Assistant United States Attorneys

UNITED STATES DEPARTMENT OF  
JUSTICE  
CONSUMER PROTECTION BRANCH

GUSTAV W. EYLER  
Director  
Consumer Protection Branch

26 Allan Gordus  
27 ALLAN GORDUS  
28 NATALIE N. SANDERS  
MARYANN N. MCGUIRE  
Trial Attorneys  
Consumer Protection Branch  
U.S. Department of Justice

26 10/26/21  
27 Date

26 10/26/21  
27 Date


1 DEFENDANT GREE USA, INC.

2 

2021.10.20

3 NAME: Jun Ouyang  
4 TITLE: Chief Executive  
Officer, Chief Financial  
5 Officer, and Director  
6 Authorized Representative of  
Defendant GREE USA, INC.

Date

7   
8 MORRISON & FOERSTER LLP  
9 JAMES M. KOUKIOS  
10 SOPHIA H. CASH  
On Behalf of Defendant  
GREE USA, INC.

10/21/2021

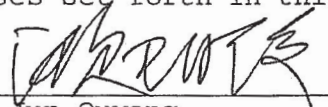
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CERTIFICATION OF DEFENDANT

I have been authorized by defendant GREE USA, INC. ("defendant") to enter into this agreement on behalf of defendant. I have read this agreement in its entirety. This agreement has been read to me in Mandarin, the language which I understand best. I have had enough time to review and consider this agreement, and I have carefully and thoroughly discussed every part of it with defendant's attorney. I understand the terms of this agreement, and I voluntarily agree to those terms on behalf of defendant. I have discussed the evidence with defendant's attorney, and defendant's attorney has advised me of defendant's rights, of possible pretrial motions that might be filed, of possible defenses that might be asserted either prior to or at trial, of the sentencing factors set forth in 18 U.S.C. § 3553(a), of relevant Sentencing Guidelines provisions, and of the consequences of entering into this agreement. No promises, inducements, or representations of any kind have been made to me or to defendant other than those contained in this agreement. No one has threatened or forced me or defendant in any way to enter into this agreement. I am satisfied with the representation of defendant's attorney in this matter, and I am pleading guilty on behalf of defendant because defendant is guilty of the charge and wishes to take advantage of the promises set forth in this agreement, and not for any other reason.



2021.10.20

NAME: Jun Ouyang  
TITLE: Chief Executive  
Officer, Chief Financial  
Officer, and Director  
Authorized Representative of  
Defendant GREE USA, INC.

Date

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CERTIFICATION OF INTERPRETER

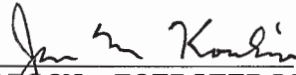
I, [Ling Liu], am fluent in the written and spoken English and Mandarin languages. I accurately translated this entire agreement from English into Mandarin to defendant GREE USA, INC. on this date.

Ling Liu  
INTERPRETER

2021.10.12  
Date

CERTIFICATION OF DEFENDANT'S ATTORNEY

I am defendant GREE USA, INC.'s attorney. I have carefully and thoroughly discussed every part of this agreement with the authorized representative of my client. Further, I have fully advised my client of its rights, of possible pretrial motions that might be filed, of possible defenses that might be asserted either prior to or at trial, of the sentencing factors set forth in 18 U.S.C. § 3553(a), of relevant Sentencing Guidelines provisions, and of the consequences of entering into this agreement. To my knowledge: no promises, inducements, or representations of any kind have been made to my client other than those contained in this agreement; no one has threatened or forced my client in any way to enter into this agreement; my client's decision to enter into this agreement is an informed and voluntary one; and the factual basis set forth in this agreement is sufficient to support my client's entry of a guilty plea pursuant to this agreement.

  
MORRISON & FOERSTER LLP  
JAMES M. KOUKIOS  
SOPHIA H. CASH  
On Behalf of Defendant  
GREE USA, INC.

10/21/2021  
Date

**CERTIFICATE OF CORPORATE RESOLUTIONS FOR GREE USA**

WHEREAS, Gree USA, Inc. (“Gree USA”) has been engaged in discussions with the United States Department of Justice’s Consumer Protection Branch (“CPB”) and the United States Attorney’s Office for the Central District of California (the “USAO”) regarding issues relating to a knowing and willful failure to report information regarding consumer product safety defects, hazards, and risks to the United States Consumer Product Safety Commission (the “CPSC”);

WHEREAS, in order to resolve such discussions, it is proposed that Gree USA agrees to the terms and obligations of a plea agreement among Gree USA, CPB, and the USAO (the “Plea Agreement”);

WHEREAS, the Chief Executive Officer, Chief Financial Officer, and Director of Gree USA:

- has been extensively briefed on discussions with CPB and USAO regarding an agreement to resolve this matter;
- was informed of the principal terms of the Plea Agreement by Gree USA’s inside counsel, together with outside counsel for Gree USA, and agrees that Gree USA should enter into an agreement on those terms;
- has been provided with the Plea Agreement and its attachments for review;
- has reviewed documents relevant to the Plea Agreement and has discussed the final terms of the Plea Agreement with Gree USA’s inside counsel, together with outside counsel for Gree USA, who have advised the Chief Executive Officer, Chief Financial Officer, and Director of Gree USA, of Gree USA’s rights, possible defenses, the Sentencing Guidelines’ provisions, and the consequences of agreeing to such terms and obligations of the Plea Agreement;

Therefore, on behalf of Gree USA, the Chief Executive Officer, Chief Financial Officer, and Director of Gree USA, Jun Ouyang, has APPROVED the following:

1. Gree USA: (a) acknowledges the filing of the Information against Gree Electric Appliances, Inc. of Zhuhai (“Gree Zhuhai”), Hong Kong Gree Electric Appliances Sales Co., Ltd. (“Gree Hong Kong”), and Gree USA, charging each company with one count of failure to furnish information required by Title 15, United States Code Section 2064(b)(3) and (4), in violation of Title 15, United States Code, Section 2068(a)(4) and 2070; (b) waives indictment on such charge and agrees to the obligations under the Plea Agreement; (c) agrees that Gree Zhuhai or Gree Hong Kong will pay a total criminal fine of \$500,000 on behalf of Gree USA; (d) agrees to pay a special assessment of \$400; and (e) agrees to accept the restitution provisions of the Plea Agreement;

2. Gree USA accepts the terms and conditions of the Plea Agreement, including but not limited to: (a) a knowing waiver of Gree USA’s rights to a speedy trial pursuant to the Sixth Amendment to the United States Constitution, Title 18, United States Code, Section 3161, and the Federal Rule of Criminal Procedure 48(b); (b) a knowing waiver for purposes of the Plea Agreement and any charges by the United States arising out of the conduct described in the Statement of Facts attached to the Plea Agreement of any objection with respect to venue and consents to the filing of the Information against Gree USA, as provided under the terms of the Plea Agreement, in the United States District Court for the Central District of California; and (c) a knowing waiver of any defenses based on the statute of limitations for any prosecution arising out of the conduct described in the Statement of Facts attached to the Plea Agreement;

3. The Chief Executive Officer, Chief Financial Officer, and Director of Gree USA, Jun Ouyang, is hereby authorized, empowered, and directed, on behalf of Gree USA, to agree to the terms and obligations of the Plea Agreement with such changes as Jun Ouyang may approve;



4. The Chief Executive Officer, Chief Financial Officer, and Director of Gree USA, Jung Ouyang, is hereby authorized, empowered, and directed to take any and all actions as may be necessary or appropriate and to approve the forms, terms or provisions of any agreement or other documents as may be necessary or appropriate to carry out and effectuate the purpose and intent of the foregoing resolutions;

5. All of the actions of the Chief Executive Officer, Chief Financial Officer, and Director of Gree USA, Jun Ouyang, which would have been authorized by the foregoing resolutions except that such actions were taken prior to the adoption of such resolutions, are hereby severally ratified, confirmed, approved, and adopted as actions on behalf of Gree USA and its subsidiaries and affiliates; and

6. The Chief Executive Officer, Chief Financial Officer, and Director of Gree USA, Jun Ouyang, and Jian Chen are hereby authorized, empowered, and directed to appear on behalf of Gree USA at any court appearances in connection with the Plea Agreement.

Date: 2021.10.20

By: 

EXHIBIT A

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UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,  
  
Plaintiff,  
  
v.  
  
GREE ELECTRIC APPLIANCES, INC.  
OF ZHUHAI,  
HONG KONG GREE ELECTRIC  
APPLIANCES SALES CO., LTD.,  
and  
GREE USA, INC.,  
  
Defendants.

CR No.  
  
I N F O R M A T I O N  
  
[15 U.S.C. §§ 2068(a)(4), 2070:  
Knowing and Willful Failure to  
Report Information Regarding  
Consumer Product Safety Defects,  
Hazards, and Risks; 15 U.S.C.  
§ 2070(c)(1), 18 U.S.C.  
§ 981(a)(1)(C), 21 U.S.C. § 853,  
28 U.S.C. § 2461(c): Criminal  
Forfeiture]

The United States Department of Justice's Consumer Protection  
Branch and the Acting United States Attorney for the Central District  
of California charge:

[15 U.S.C. §§ 2068(a)(4), 2070]

[ALL DEFENDANTS]

A. INTRODUCTORY ALLEGATIONS

1. By at least September 2012, in Los Angeles County, within  
the Central District of California, and elsewhere, defendants GREE  
ELECTRIC APPLIANCES, INC. OF ZHUHAI, HONG KONG GREE ELECTRIC  
APPLIANCES SALES CO., LTD., and GREE USA, INC., obtained information

1 which reasonably supported the conclusion that dehumidifiers  
2 manufactured, distributed, and sold in interstate commerce by the  
3 defendants contained a defect that caused those dehumidifiers to  
4 overheat and catch fire, creating a substantial product hazard, and  
5 created an unreasonable risk of serious injury and death to United  
6 States consumers who operated the dehumidifiers in their homes and  
7 businesses.

8 2. Despite knowing that they were required immediately to  
9 inform the United States Consumer Product Safety Commission of the  
10 defects and risks of those dehumidifiers they manufactured,  
11 distributed, and sold in interstate commerce, defendants GREE  
12 ELECTRIC APPLIANCES, INC. OF ZHUHAI, HONG KONG GREE ELECTRIC  
13 APPLIANCES SALES CO., LTD., and GREE USA, INC., knowingly and  
14 willfully failed to inform the United States Consumer Product Safety  
15 Commission of those dehumidifiers' defects and risks until in or  
16 about June 2013.

17 B. KNOWING AND WILLFUL FAILURE TO REPORT INFORMATION REGARDING  
18 CONSUMER PRODUCT SAFETY DEFECTS, HAZARDS, AND RISKS

19 3. From on or about September 19, 2012, through at least on or  
20 about June 2013, in Los Angeles County, within the Central District  
21 of California, and elsewhere, defendants GREE ELECTRIC APPLIANCES,  
22 INC. OF ZHUHAI, HONG KONG GREE ELECTRIC APPLIANCES SALES CO., LTD.,  
23 and GREE USA, INC., knowingly and willfully failed to immediately  
24 report to the United States Consumer Product Safety Commission upon  
25 receiving information that reasonably supported the conclusion that  
26 the Chinese dehumidifiers contained a defect that could create a  
27 substantial product hazard, and created an unreasonable risk of  
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1 serious injury and death, as required by Title 15, United States  
2 Code, Section 2064(b)(3) and (4).

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FORFEITURE ALLEGATIONS

[15 U.S.C. § 2070(c)(1); 18 U.S.C. § 981(a)(1)(C); 21 U.S.C. § 853;  
28 U.S.C. § 2461(c)]

4. Pursuant to Rule 32.2, Fed. R. Crim. P., notice is hereby given to the defendants that the United States will seek forfeiture as part of any sentence in accordance with Title 15, United States Code, Section 2070(c)(1) and Title 28, United States Code, Section 2461(c) in the event of any defendant's conviction under the sole count of this Information:

5. Defendants shall forfeit the following property to the United States of America:

a. all right, title, and interest in any and all property associated with any violation of the sole count of this Information; and

b. to the extent such property is not available for forfeiture, a sum of money equal to the total value of the property described in subsection a.

7. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), each defendant shall forfeit substitute property, up to the total value of the property described in the preceding paragraph, if, as a result of

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1 any act or omission of a defendant, the property described in the  
2 preceding paragraph, or any portion thereof: (a) cannot be located  
3 upon the exercise of due diligence; (b) has been transferred or sold  
4 to, or deposited with a third party; (c) has been placed beyond the  
5 jurisdiction of the court; (d) has been substantially diminished in  
6 value; or (e) has been commingled with other property that cannot be  
7 divided without difficulty.

8 TRACY L. WILKISON  
Acting United States Attorney

GUSTAV W. EYLER  
Director  
Consumer Protection Branch

10

11

12 SCOTT M. GARRINGER  
Assistant United States Attorney  
Chief, Criminal Division

ALLAN GORDUS  
NATALIE N. SANDERS  
MARYANN N. MCGUIRE  
Trial Attorneys  
Consumer Protection Branch  
Civil Division  
U.S. Department of Justice

13

14 JOSEPH O. JOHNS  
DENNIS MITCHELL  
Assistant United States Attorneys  
Environmental & Community Safety  
Crimes Section

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1 **Exhibit B**

2 **Statement of Facts**

3 Defendants Gree Electric Appliances, Inc. of Zhuhai ("Gree  
4 Zhuhai"), Gree USA, Inc. ("Gree USA"), and Hong Kong Gree Electric  
5 Appliances Sales Co., Ltd. ("Gree Hong Kong") (collectively the  
6 "Gree Companies") hereby agree and stipulate that the following  
7 information is true and accurate. The Gree Companies admit, accept,  
8 and acknowledge that they are responsible for the acts of their  
9 officers, directors, employees, and agents as set forth below. The  
10 Gree Companies also admit, accept, and acknowledge that, had this  
11 matter proceeded to trial, the government would have proven beyond a  
12 reasonable doubt, by admissible evidence, the facts set forth below.

13 **The Gree Companies**

14 1. From 2007 to September 2013, Gree Zhuhai was a large  
15 Chinese company that manufactured household appliances ("Gree  
16 appliances") for sale in and outside of China, including in the  
17 United States.

18 2. From 2007 to September 2013, Gree Hong Kong was a Chinese  
19 subsidiary of Gree Zhuhai that exported Gree appliances to the  
20 United States.

21 3. From 2010 to September 2013, Gree USA was a California  
22 corporation with offices in City of Industry, California, and a  
23 subsidiary of Gree Hong Kong. Gree USA sold Gree appliances to  
24 retailers in the United States. Those Gree appliances were  
25 manufactured by Gree Zhuhai and imported into the United States by  
26 Gree Hong Kong and Gree USA. Gree USA was a joint venture between  
27 Gree Hong Kong and another company, MJC America Holdings Co., Inc.  
28 ("MJC America Holdings"). Gree Hong Kong was the majority owner of

1 Gree USA. Gree USA's Chief Executive Officer ("CEO"), Chief  
2 Financial Officer ("CFO"), who was the brother of Gree USA's CEO,  
3 and Chief Administrative Officer ("CAO") were owners of MJC America  
4 Holdings. Gree USA's CEO, CFO and CAO effectively controlled Gree  
5 USA.

6 4. From 2010 to September 2013, Gree USA sold in the United  
7 States dehumidifiers manufactured by Gree Zhuhai and imported into  
8 the United States by Gree Hong Kong ("Gree dehumidifiers").

9 The Consumer Product Safety Commission and  
10 the Consumer Product Safety Act

11 5. The Consumer Product Safety Act (the "CPSA") was enacted to  
12 protect the public from dangerous consumer products.

13 6. The United States Consumer Product Safety Commission (the  
14 "CPSC") is the federal agency responsible for protecting consumers  
15 from dangerous consumer products and is the lead federal agency  
16 responsible for the implementation, enforcement, and administration  
17 of the CPSA. The CPSC can order mandatory recalls of dangerous  
18 products.

19 7. The CPSA requires companies that manufacture, import,  
20 distribute, or sell consumer products to inform the CPSC, among  
21 other things, about any consumer product about which information  
22 reasonably supports the conclusion that such product contains a  
23 defect that could create a substantial product hazard, or creates an  
24 unreasonable risk of serious injury or death. This duty to report  
25 also applies to the individual directors, officers, and agents of  
26 those companies. A company's or an individual's knowing and willful  
27 failure to report an unsafe product to the CPSC is punishable as a  
28 felony violation of the CPSA.



1                   The Gree Companies Learn that Their Dehumidifiers  
2   Are Catching Fire

3           8. On or about July 26, 2012, the CEO of Gree USA saw a video  
4 of a burning Gree dehumidifier. On July 26, 2012, Gree USA's CEO  
5 sent the video to a Gree Hong Kong manager ("Gree Hong Kong Manager  
6 #1"), who was also a director of Gree Hong Kong and in charge of  
7 exporting Gree appliances for sale in the United States, copying  
8 other Gree USA employees and a Gree Zhuhai employee. In sending the  
9 video, Gree USA's CEO labeled the email "urgent," and said that the  
10 video was "scarey [sic] to just watch" and a "very serious issue  
11 with GREE product quality." Gree USA's CEO also stated that the  
12 video was the third reported instance of a Gree appliance catching  
13 fire since in or about June 2012 and that it could lead to lawsuits  
14 against Gree USA as well as a recall costing millions of dollars.  
15 Gree USA's CEO knew that the Gree Companies had an obligation to  
16 inform the CPSC immediately of any consumer product that contained a  
17 defect creating a substantial product hazard or that created an  
18 unreasonable risk of serious injury or death.

19           9. Gree Hong Kong Manager #1, replied to the July 26, 2012  
20 email from Gree USA's CEO that same day. In his reply email, Gree  
21 Hong Kong Manager #1 said that "[w]e also felt shock when we watched  
22 the video[,] " and that he had sent the video to Gree Zhuhai's  
23 Quality Department and to Gree Zhuhai's chief engineer who was also  
24 its senior vice president for research and development.

25                   The Gree Companies Learn that Two Defects in  
26   Their Dehumidifiers are Causing Them to Catch Fire

27           10. During August 2012, Gree USA and Gree Zhuhai employees,  
28 engineers and officers investigated the Gree dehumidifiers for

1 potential defects that could cause them to catch fire. No employee  
2 of Gree USA or Gree Zhuhai informed the CPSC of a defect or risk  
3 associated with the Gree dehumidifiers in August 2012.

4 11. On September 4, 2012, Gree USA's CEO emailed Gree Hong Kong  
5 Manager #1 about the Gree dehumidifiers. The CEO stated that Gree  
6 USA had tested its dehumidifier inventory in Gree USA's warehouse  
7 and the testing showed that these dehumidifiers burned. The CEO  
8 stated "the result is not like what you have told us" regarding how  
9 many units were involved because "the result shows the units all can  
10 catch the fire and apparently the material is not according to UL  
11 standard! I don't think the factory is telling us the fact and  
12 truth. . . ." The CEO stated that, because of Gree USA's test  
13 results, he would have the dehumidifiers further tested for  
14 compliance with UL (formerly Underwriters Laboratory) standards and  
15 was planning to inform the CPSC about the Gree dehumidifiers.

16 12. On September 5, 2012, Gree Hong Kong Manager #1 emailed  
17 Gree USA's CEO instructing "Gree USA to resolve the claim and CPSC  
18 case" and stating that Gree Zhuhai would "fully indemnify Gree USA  
19 for any expense and responsibility." That same day, Gree USA's CEO  
20 replied and requested more details regarding who would pay the costs  
21 that could result from the Gree dehumidifiers and when they would  
22 pay, and offered to handle reporting the Gree dehumidifiers to the  
23 CPSC if Gree Zhuhai would agree to pay all future costs related to  
24 the dehumidifiers' defects. Gree Hong Kong Manager #1 replied on  
25 September 6, 2012, stating that they were willing to agree to  
26 compensate expenses in a timely manner and that Gree USA "would be  
27 the single entity to reply insurance company and CPSC, [and] we will  
28 provide the necessary supports of test records and technical

1 information if you need any." After these communications, no one  
2 from the Gree Companies informed the CPSC about the Gree  
3 dehumidifiers or their defects.

4 13. On September 10, 2012, Gree USA's CEO emailed the highest  
5 ranking person at Gree Zhuhai, the chairperson of Gree Zhuhai's  
6 board who also served as Gree Zhuhai's President and CEO, copying no  
7 one else from Gree Zhuhai or Gree Hong Kong. In this email, Gree  
8 USA's CEO stated that "GREE headquarters" had told him not to report  
9 the Gree dehumidifiers to the CPSC. Specifically, the Gree USA CEO  
10 stated that "GREE headquarters" had told him not to report that the  
11 Gree dehumidifiers may be defective and catch on fire and that they  
12 might have overheating parts and plastic parts that could burn  
13 because the plastic did not meet the UL standard for fire  
14 resistance. Gree USA's CEO warned in his email that any company or  
15 individual who withheld from the CPSC information about a dangerous  
16 product could face severe punishment, including criminal  
17 prosecution. Gree USA's CEO asked how Gree Zhuhai would pay future  
18 costs related to the Gree dehumidifiers, including any potential  
19 harm to MJC America Ltd. ("MJC America"), a company owned by Gree  
20 USA's CEO, CFO and CAO which also sold the defective Gree  
21 dehumidifiers. Gree USA's CEO stated that if Gree Zhuhai did not  
22 give him clear instructions on how to handle the Gree dehumidifiers  
23 within a matter of days, then he would inform the CPSC about the  
24 dehumidifiers. No one replied to this email.

25 14. On September 13, 2012, Gree USA's CEO sent another email to  
26 Gree Hong Kong Manager #1. In this email, Gree USA's CEO discussed  
27 how a recall of the defective Gree dehumidifiers might be handled  
28 and attached the CPSC's "Recall Handbook." Gree USA's CEO also

1 discussed the financial costs and lost sales that could result from  
2 a recall. He did not express any consideration or concern about how  
3 defective Gree dehumidifiers could harm consumers. Gree USA's CEO  
4 asked Gree Hong Kong Manager #1 to forward this email to Gree  
5 Zhuhai's chief engineer.

6 15. On September 19, 2012, Gree Hong Kong Manager #1 came to  
7 Gree USA's offices in City of Industry, California, to meet with  
8 Gree USA's CEO. A Gree Zhuhai engineer and three other Gree USA  
9 officers also participated in the meeting. This meeting was audio  
10 recorded by agreement.

11 16. At this September 19 meeting, Gree Hong Kong Manager #1  
12 stated that Gree Zhuhai's testing of the Gree dehumidifiers was not  
13 able to reproduce the reported fire, but had revealed two defects:  
14 (1) the dehumidifiers used plastics that did not meet UL standards  
15 for fire resistance; and (2) electrical arcing caused by the  
16 dehumidifiers' compressors overheating could burn the non-UL  
17 standard plastic used in these dehumidifiers. The Gree Zhuhai  
18 engineer at the meeting also discussed these defects. Gree Hong  
19 Kong Manager #1 stated that he was aware of at least five consumer  
20 reports of Gree dehumidifiers overheating and catching fire but that  
21 Gree Zhuhai "still believe[d] that the fire case is a relatively  
22 isolated case . . . associated with atrocious conditions." He also  
23 stated that Gree Zhuhai would modify the manufacture of all future  
24 dehumidifiers to fix this problem so they would not catch fire.

25 The Gree Companies Decide To Delay Reporting and Recalling  
26 Their Defective Dehumidifiers

27 17. At this same September 19 meeting, Gree Hong Kong Manager  
28 #1 said that the meeting participants' decisions on what to do about

1 the Gree dehumidifiers should be guided by the principle of  
2 minimizing the costs and loss of reputation to the Gree Companies.  
3 Gree Hong Kong Manager #1 said that Gree Zhuhai wanted to delay any  
4 recall of the dehumidifiers for 6 to 9 months because delaying a  
5 recall would reduce the recall's effect on Gree dehumidifier sales.  
6 Gree Hong Kong Manager #1 stated that an immediate recall would have  
7 a significant, and negative, effect on 2012 and 2013 Gree  
8 dehumidifier sales. Gree Hong Kong Manager #1 stated that a recall  
9 could be delayed 6 to 9 months because cooler fall and winter  
10 temperatures would help prevent Gree dehumidifiers from overheating  
11 and catching fire, and that there should be very few, if any,  
12 dehumidifier fires in the 6 to 9 months following September 2012.

13 18. In response to what Gree Hong Kong Manager #1 said, Gree  
14 USA's CEO said at the meeting that the Gree dehumidifiers' defects  
15 were very significant and had important legal implications. But the  
16 Gree USA CEO did not push to inform the CPSC of the dehumidifiers.  
17 Rather, Gree USA's CEO recommended only that the Gree Companies have  
18 another company test the Gree dehumidifiers and then decide whether  
19 to delay the recall. Gree Hong Kong Manager #1 responded by urging  
20 the Gree USA officers not to conduct such a test of the Gree  
21 dehumidifiers because that test would show that the dehumidifiers  
22 used plastic that did not meet UL standards for fire resistance.  
23 Gree USA's CEO said that the Gree USA officers understood what Gree  
24 Zhuhai was asking them to do and needed time to think before making  
25 a decision about how to proceed.

26 19. Two days after the September 19, 2012 meeting, Gree USA's  
27 CEO sent an email to Gree Zhuhai's chief engineer and copied the  
28 email to Gree Zhuhai's board chairperson. In his September 21, 2012

1 email, Gree USA's CEO said that he understood that Gree Zhuhai  
2 wanted to delay a recall of the Gree dehumidifiers for 6 to 9  
3 months. Gree USA's CEO also said that he thought that the Gree  
4 dehumidifiers were still likely to catch fire, and that, after  
5 careful consideration, Gree USA's officers had decided to report the  
6 Gree dehumidifiers to the United States government.

7 20. The next day, Gree Zhuhai's chief engineer replied to the  
8 September 21, 2012 email from Gree USA's CEO without copying Gree  
9 Zhuhai's board chairperson. In his September 22, 2012 email, Gree  
10 Zhuhai's chief engineer said that Gree Zhuhai had clearly expressed  
11 its opinion about how to handle the defective Gree dehumidifiers,  
12 and that he hoped Gree USA's CEO would follow that opinion. Gree  
13 Zhuhai's chief engineer said that he had no authority to approve  
14 what Gree USA's CEO proposed in his September 21, 2012 email and  
15 that he hoped Gree USA's CEO would report his decision on how to  
16 handle the defective Gree dehumidifiers to Gree Zhuhai's board  
17 chairperson and listen to her opinion.

18 21. On September 28, 2012, Gree USA's CEO sent an email to Gree  
19 Zhuhai's board chairperson, copying no one else from Gree Zhuhai or  
20 Gree Hong Kong. In his email, Gree USA's CEO stated again that  
21 Gree's dehumidifiers had two known defects: (1) the compressors in  
22 the dehumidifiers could overheat; and (2) the plastic in the  
23 dehumidifiers did not meet UL standards for fire resistance, meaning  
24 that the plastic would burn when overheated. Gree USA's CEO said  
25 that it was known that these two defects could cause the  
26 dehumidifiers to catch fire and that there were numerous consumer  
27 complaints about the dehumidifiers in fact catching fire. Gree  
28 USA's CEO also said that the Gree Companies had sold millions of

1 these defective dehumidifiers. Gree USA's CEO further related that  
2 he believed the Gree Companies should recall the dehumidifiers and  
3 warn consumers that using them could result in personal injuries and  
4 property damage, but that Gree Zhuhai had not agreed to a recall.  
5 Gree USA's CEO warned that a recall could cost hundreds of millions  
6 of dollars, would harm the reputation of Gree products, and would  
7 reduce the Gree Companies' market share. But Gree USA's CEO also  
8 warned that if Gree Zhuhai did not reach an agreement with Gree USA  
9 on the recall of the dehumidifiers, then Gree USA unilaterally would  
10 report the Gree dehumidifiers to the United States government. Gree  
11 USA's CEO concluded his email by saying that this was a very  
12 important and urgent matter. Neither Gree Zhuhai's board  
13 chairperson nor anyone else at Gree Zhuhai replied to this email.

14 22. Despite the Gree USA's CEO's September 4, 10, 21, and 28,  
15 2012 emails, no employee of the Gree Companies reported the Gree  
16 dehumidifiers' defects or risks, or the known consumer complaints of  
17 fires related to the dehumidifiers, to the CPSC in September 2012.

18 23. In September 2012, Gree USA sold at least 24,999 defective  
19 Gree dehumidifiers to retailers in the United States for  
20 approximately \$2,558,019. The Gree Companies knew that the  
21 retailers wanted dehumidifiers that met all UL standards and did not  
22 burn when overheated. The Gree Companies knew that Gree USA  
23 represented to its retailers that the Gree dehumidifiers met all UL  
24 standards. Gree USA's CEO, CFO and CAO knew that Gree USA's  
25 representations that these Gree dehumidifiers met all UL standards  
26 were false when these dehumidifiers were sold.

1                   The Gree Companies Continue to Sell  
2                   Their Defective Dehumidifiers in the United States  
3                   Without Reporting Them to the CPSC

4           24. On October 19, 2012, a sales representative for Gree USA  
5 met in person with Gree Zhuhai's board chairperson in China. During  
6 this meeting, the sales representative discussed the defective Gree  
7 dehumidifiers with Gree Zhuhai's board chairperson. Gree Zhuhai's  
8 board chairperson said that she would send a new Gree Hong Kong  
9 manager ("Gree Hong Kong Manager #2") to the United States to  
10 address the problems associated with the dehumidifiers.

11           25. In October 2012, Gree USA sent to Gree Zhuhai new consumer  
12 reports of fires related to the Gree dehumidifiers. These reports  
13 contradicted Gree Hong Kong Manager #1's statements at the  
14 September 19 meeting that a recall could be delayed 6 to 9 months  
15 because cooler fall and winter temperatures would help prevent  
16 dehumidifiers from overheating and catching fire and that there  
17 should be very few, if any, dehumidifier fires in the 6 to 9 months  
18 following September 2012. Despite these new consumer reports of  
19 fires caused by Gree dehumidifiers, no employee of the Gree  
20 Companies informed the CPSC about the dehumidifiers' defects or  
21 risks in October 2012.

22           26. In October 2012, Gree USA sold at least 2,938 defective  
23 Gree dehumidifiers to retailers in the United States for  
24 approximately \$429,426. The Gree Companies knew that the retailers  
25 wanted dehumidifiers that met all UL standards and did not burn when  
26 overheated. The Gree Companies knew that Gree USA represented to  
27 its retailers that the Gree dehumidifiers met all UL standards.  
28 Gree USA's CEO, CFO and CAO knew that Gree USA's representations



1 that these Gree dehumidifiers met all UL standards were false when  
2 these dehumidifiers were sold.

3 The Gree Companies Receive Another Test Report Showing  
4 That Their Dehumidifiers are Defective and Dangerous

5 27. In late October 2012, Gree USA sent two Gree dehumidifiers  
6 to an independent testing company for testing. On November 5, 2012,  
7 the testing company wrote a report confirming and reiterating that  
8 the Gree dehumidifiers were defective because the compressors in the  
9 dehumidifiers could run continuously and thereby overheat to an  
10 "extreme high temperature." Gree USA's CEO received this report on  
11 November 6, 2012. Gree USA's CEO immediately sent the report to  
12 Gree Hong Kong Manager #2, who had taken over responsibility for the  
13 importation and sale of the Gree dehumidifiers in the United States  
14 from Gree Hong Kong Manager #1.

15 The Gree Companies Continue to Sell  
16 Their Defective Dehumidifiers in the United States  
17 Without Reporting Them to the CPSC

18 28. At the end of November 2012, Gree USA's CEO told Gree Hong  
19 Kong Manager #2 that an attorney advised him to inform the CPSC  
20 immediately of all consumer reports of fires related to the Gree  
21 dehumidifiers. Despite this legal advice and the November 5, 2012  
22 test report reiterating that the Gree dehumidifiers were dangerously  
23 defective, no employee of the Gree Companies informed the CPSC about  
24 the dehumidifiers' defects, risks, or reported fires in November  
25 2012.

26 29. In November 2012, Gree USA sold at least 6,817 defective  
27 Gree dehumidifiers to retailers in the United States for  
28 approximately \$792,067. The Gree Companies knew that the retailers

1 wanted dehumidifiers that met all UL standards and did not burn when  
2 overheated. The Gree Companies knew that Gree USA represented to  
3 its retailers that the Gree dehumidifiers met all UL standards.  
4 Gree USA's CEO, CFO and CAO knew that Gree USA's representations  
5 that these Gree dehumidifiers met all UL standards were false when  
6 these dehumidifiers were sold.

7 The Gree Companies Have Yet Another Meeting to Discuss  
8 Their Defective Dehumidifiers But Still Do Not Inform the CPSC

9 30. On December 18, 2012, Gree USA's CEO and another Gree USA  
10 officer went with an attorney to Hong Kong to meet with Gree Hong  
11 Kong Manager #2, a Gree Zhuhai engineer, Gree Zhuhai's Chief  
12 Financial Officer ("CFO") and three attorneys representing Gree  
13 Zhuhai. At this meeting, Gree USA's CEO discussed the November 5,  
14 2012 test report with Gree Hong Kong Manager #2, the Gree Zhuhai  
15 engineer and the Gree Zhuhai CFO. Gree Hong Kong Manager #2, the  
16 Gree Zhuhai engineer and the Gree Zhuhai CFO told Gree USA's CEO  
17 that Gree Zhuhai would test the Gree dehumidifiers and let him know  
18 the results of their testing.

19 31. No employee of the Gree Companies informed the CPSC about  
20 the dehumidifiers' defects, risks, or reported fires in December  
21 2012.

22 32. In December 2012, Gree USA sold at least 1,395 defective  
23 Gree dehumidifiers to retailers in the United States for  
24 approximately \$201,835. The Gree Companies knew that the retailers  
25 wanted dehumidifiers that met all UL standards and did not burn when  
26 overheated. The Gree Companies knew that Gree USA represented to  
27 its retailers that the Gree dehumidifiers met all UL standards.  
28 Gree USA's CEO, CFO and CAO knew that Gree USA's representations

1 that these Gree dehumidifiers met all UL standards were false when  
2 these dehumidifiers were sold.

3 The Gree Companies Decide to Keep Selling  
4 Their Defective Dehumidifiers in the United States  
5 Without Reporting Them to the CPSC

6 33. On January 23, 2013, a Gree USA officer sent an email to  
7 Gree Hong Kong Manager #2. The email stated that Gree USA's and MJC  
8 America's insurance company suggested that Gree USA report the Gree  
9 dehumidifiers to the CPSC and recall all of the defective Gree  
10 dehumidifiers. The email also stated that the insurance company  
11 "wanted to know if any actions were taken to test the product design  
12 in case it is defective" and was told that "the product was  
13 submitted to several different testing and no faulty [sic] in the  
14 design was found[,] also that new production has an extra  
15 protection[.]" The Gree USA officer further reported in her email  
16 that Gree USA had received a new consumer report of a dehumidifier  
17 fire and asked how Gree USA should handle this report.

18 34. Also on January 23, 2013, Gree Zhuhai told Gree USA in  
19 writing that it had tested its dehumidifiers and that they were not  
20 defective and could be sold in the United States. Gree Zhuhai did  
21 not provide Gree USA with any details on its testing or explain the  
22 inconsistency in its test results with those of all prior tests of  
23 the Gree dehumidifiers.

24 35. Despite the recommendation of Gree USA's insurance company  
25 to report the Gree dehumidifiers to the CPSC and recall the  
26 defective Gree dehumidifiers, and the new consumer report of fire,  
27 no employee of the Gree Companies informed the CPSC about the  
28

1 dehumidifiers' defects, risks, or reported fires in January or  
2 February 2013.

3 36. Gree USA sold at least 7,609 and 29,857 defective Gree  
4 dehumidifiers in January and February 2013, respectively, to  
5 retailers in the United States for approximately \$905,291, and  
6 \$3,255,542, respectively. The Gree Companies knew that the  
7 retailers wanted dehumidifiers that met all UL standards and did not  
8 burn when overheated. The Gree Companies knew that Gree USA  
9 represented to its retailers that the Gree dehumidifiers met all UL  
10 standards. Gree USA's CEO, CFO and CAO knew that Gree USA's  
11 representations that these Gree dehumidifiers met all UL standards  
12 were false when these dehumidifiers were sold.

13 The Gree Companies Finally Report Their Defective Dehumidifiers  
14 to the CPSC but Continue to Sell Those Dehumidifiers  
15 in the United States

16 37. On March 14, 2013, Gree USA, Gree Zhuhai, and MJC America  
17 made an initial report to the CPSC about their dehumidifiers. The  
18 initial report stated that they had sold approximately 1.6 million  
19 Gree dehumidifiers in the United States since 2010, and that  
20 consumers who had purchased those dehumidifiers had reported fires,  
21 overheating, smoke, odors, and property damage related to these  
22 dehumidifiers. The initial report did not mention the defects in  
23 the Gree dehumidifiers that caused the dehumidifiers to burn.

24 38. Gree USA sold at least 6,025 and 7,596 defective Gree  
25 dehumidifiers in March and April 2013, respectively, to retailers in  
26 the United States for approximately \$571,702 and \$799,244,  
27 respectively. The Gree Companies knew that the retailers wanted  
28 dehumidifiers that met all UL standards and did not burn when

1 overheated. The Gree Companies knew that Gree USA represented to  
2 its retailers that the Gree dehumidifiers met all UL standards.  
3 Gree USA's CEO, CFO and CAO knew that Gree USA's representations  
4 that these Gree dehumidifiers met all UL standards were false when  
5 these dehumidifiers were sold.

6 39. On April 23, 2013, the Chief Administrative Officer of Gree  
7 USA received an independent test report showing that the plastic  
8 used in four Gree dehumidifiers made in 2010, 2011, and 2012 did not  
9 meet UL standards for fire resistance.

10 40. On April 30, 2013, Gree USA, Gree Zhuhai, and MJC America  
11 made a second, more comprehensive report to the CPSC about their  
12 defective Gree dehumidifiers. This report stated that Gree USA,  
13 Gree Zhuhai, and MJC America sold approximately 1.84 million of the  
14 Gree dehumidifiers and that they had not concluded that these Gree  
15 dehumidifiers posed a substantial product hazard or that the  
16 dehumidifiers needed to be recalled. This report listed nineteen  
17 known consumer reports of fires involving Gree dehumidifiers with  
18 all but one of the fires occurring between June 14, 2012 and April  
19 15, 2013.

20 41. After their April 30, 2013 report to the CPSC, the Gree  
21 Companies continued to receive consumer reports of fires caused by  
22 Gree dehumidifiers.

23 42. The Gree Companies received at least \$9,500,000 from the  
24 distribution and wholesale of defective Gree dehumidifiers from  
25 September 2012 through April 2013. Additionally, the Gree Companies  
26 received at least \$29,500,000 from the distribution and wholesale of  
27 other non-defective Gree dehumidifiers from September 2012 through  
28 April 2013.

1 43. United States consumers lost at least \$17,400,000 by  
2 purchasing defective and dangerous Gree dehumidifiers manufactured,  
3 distributed, or sold by the Gree Companies from September 2012  
4 through April 2013.

5 44. From September 2012 to April 2013, United States consumers  
6 sustained at least \$2,100,000 worth of property damaged or destroyed  
7 in fires caused by the defective Gree dehumidifiers.

8 The Gree Companies Imported Their Defective Dehumidifiers  
9 With False UL Certifications

10 45. Between 2010 and at least until September 2012, the Gree  
11 Companies imported into the United States Gree dehumidifiers with  
12 certifications that the dehumidifiers met all UL standards, when in  
13 fact the dehumidifiers did not meet UL standards.

14 The Gree Companies Finally Recall  
15 Their Defective Dehumidifiers

16 46. By mid-July 2013, Gree Zhuhai decided to recall its  
17 defective Gree dehumidifiers and notified the CPSC of this decision.  
18 After making this decision, Gree Zhuhai started to plan for the  
19 recall.

20 47. On September 12, 2013, Gree Zhuhai and the CPSC announced a  
21 voluntary recall of 2.2 million Gree dehumidifiers in the United  
22 States.

23 48. Despite its recall, Gree Zhuhai has received hundreds of  
24 consumer reports of fires and overheating caused by defective Gree  
25 dehumidifiers. Consumers have reported more than 2,000 incidents  
26 involving Gree dehumidifiers, including 450 fires and more than  
27 \$19,000,000 in property damage.  
28

1           49. No later than September 19, 2012, each of the Gree  
2 Companies had information which reasonably supported the conclusion  
3 that their Gree dehumidifiers: (1) contained defects which created a  
4 substantial product hazard, that is, a substantial risk of injury to  
5 the public; and (2) created an unreasonable risk of serious injury  
6 or death. After learning this information, each of the Gree  
7 Companies knowingly and willfully failed immediately to inform the  
8 United States Consumer Product Safety Commission about these  
9 dangerous defects in their Gree dehumidifiers or the dangerous risks  
10 posed by their Gree dehumidifiers.

11           50. As a result of the Gree Companies' failure to report  
12 immediately their defective Gree dehumidifiers to the United States  
13 Consumer Product Safety Commission, the Gree Companies were able to  
14 continue to distribute and wholesale their dehumidifiers, including  
15 defective Gree dehumidifiers, from September 2012 through April  
16 2013, and received more than \$39,000,000 in proceeds from this  
17 distribution and wholesale of Gree dehumidifiers. For purposes of  
18 forfeiture, the approximately \$39,000,000 that the Gree Companies  
19 received are assets associated with their failure to report  
20 immediately their defective Gree dehumidifiers to the United States  
21 Consumer Product Safety Commission in violation of 15 U.S.C.  
22 §§ 2068(a)(4) and 2070.

1 **Exhibit D**

2 **Enhanced Compliance Measures**

3 **I. Compliance Program**

4 So as to address and further reduce the risk of any recurrence  
5 of the misconduct at issue in this matter, Defendants Gree Electric  
6 Appliances, Inc. of Zhuhai ("Gree Zhuhai"), Hong Kong Gree Electric  
7 Appliances Sales Co., Ltd. ("Gree Hong Kong"), and Gree USA, Inc.  
8 ("Gree USA") (collectively the "Gree Companies") hereby agree as  
9 part of Gree USA's Plea Agreement and Gree Zhuhai's and Gree Hong  
10 Kong's Deferred Prosecution Agreement with the United States  
11 Department of Justice's Consumer Protection Branch and the United  
12 States Attorney's Office for the Central District of California  
13 ("the government") to adopt and maintain, or modify as necessary,  
14 compliance programs, including internal controls, compliance  
15 policies, and procedures (collectively the "Compliance Program") to  
16 ensure product safety and compliance with the Consumer Product  
17 Safety Act, 15 U.S.C. § 2051 *et seq.* ("CPSA"), and regulations and  
18 agreements enforced by the United States Consumer Product Safety  
19 Commission ("CPSC") with respect to any consumer product  
20 manufactured, imported, distributed, or sold by the Gree Companies  
21 in the United States. The Compliance Program, at a minimum, shall  
22 contain the following elements:

23 **Written Standards, Policies and Procedures**

24 1. The Gree Companies shall establish and maintain, or  
25 modify as necessary, written standards, policies, and procedures  
26 with sufficient resources for responding to, investigating, and  
27 documenting allegations of potential product hazards, and violations  
28 of the CPSA, its implementing regulations, and agreements with the



1 CPSC, and which provides for the appropriate forwarding to personnel  
2 at the Gree Companies with authority to act ("Compliance Officer")  
3 of all information that may relate to, or affect, product safety and  
4 CPSA compliance, including all reports and complaints involving  
5 consumer products, whether an injury is referenced or not, and that  
6 may relate to, or affect, UL certification or listing, whether  
7 confirmatory testing has been conducted or not.

8         2. The Gree Companies shall implement, maintain, and enforce  
9 an effective system of internal controls and procedures, to the  
10 extent that they do not yet exist, designed to ensure that, with  
11 respect to all consumer products manufactured, imported, or  
12 distributed by the Gree Companies and sold in the United States:

13             a. information required to be disclosed by the Gree  
14 Companies to the CPSC is recorded, processed, and reported in  
15 accordance with applicable law;

16             b. all required reporting made to the CPSC is timely,  
17 truthful, complete, accurate, and in accordance with applicable law;  
18 and

19             c. prompt disclosure is made to the Gree Companies'  
20 relevant senior management of any deficiencies in the design or  
21 operation of such internal controls and procedures that are  
22 reasonably likely to adversely affect, in any material respect, the  
23 Gree Companies' ability to record, process, and report to the CPSC  
24 in accordance with applicable law.

25                             Confidential Employee Reporting

26         3. The Gree Companies shall establish or modify as necessary  
27 a confidential reporting program for their employees and agents who  
28 wish to disclose any concerns related to consumer product safety or

1 quality to a Compliance Officer or another senior manager with  
2 authority to act as necessary.

3 4. The Gree Companies shall publicize the existence of the  
4 confidential reporting program annually to their employees and  
5 agents through emails, posting on Company intranets, live or online  
6 training, or other effective means. The confidential reporting  
7 program shall include a non-retribution, non-retaliation policy, and  
8 shall facilitate anonymous and confidential communications for which  
9 appropriate confidentiality shall be maintained.

10 5. Upon receipt of a disclosure related to consumer product  
11 safety or quality, a Compliance Officer or a senior manager with  
12 authority to act as necessary shall make a diligent, good-faith  
13 inquiry into the disclosure to ensure that he or she has obtained  
14 all the information necessary to determine whether a further review  
15 should be conducted. The Compliance Officer or senior manager shall  
16 conduct such further review of for any disclosure that is  
17 sufficiently specific to:

18 a. permit determination of the appropriateness of the  
19 alleged impropriety; and

20 b. provide an opportunity for taking corrective action.

21 6. The Compliance Officer or senior manager shall maintain a  
22 disclosure log, which shall include a record and an accurate and  
23 complete summary of each disclosure related to consumer product  
24 safety or quality received (whether anonymous or not), the status of  
25 the respective reviews, and any corrective action taken in response  
26 to the reviews. All information gathered by the confidential  
27 reporting program shall be maintained for at least five (5) years  
28 following closure of the review and corrective action.

1                                   Training and Enforcement

2             7.     The Gree Companies shall implement and maintain, or modify  
3 as necessary, mechanisms designed to ensure that the Compliance  
4 Program is effectively communicated to all applicable directors,  
5 officers, employees, and where necessary and appropriate, agents,  
6 vendors, and business partners.

7             8.     The Gree Companies shall establish and maintain, or modify  
8 as necessary, an effective system for providing guidance, training  
9 and advice to directors, officers, employees, and where necessary  
10 and appropriate, agents, vendors, and business partners, on  
11 complying with the CPSA, its implementing regulations, agreements  
12 with the CPSC, and the Compliance Program, including when they need  
13 advice on an urgent basis.

14                                   Management Responsibility and Accountability

15             9.     The Gree Companies shall assign continuing responsibility  
16 for the implementation and oversight of the Compliance Program to  
17 one or more senior corporate executives who, by reason of  
18 background, experience, education, or training are competent to  
19 oversee product safety and regulatory compliance-related matters.  
20 Such corporate executive(s) shall have the authority to report  
21 directly to independent monitoring bodies, including internal  
22 auditors, the Company's Board of Directors, or any appropriate  
23 committee of the Board of Directors, and shall have an adequate  
24 level of autonomy from management as well as sufficient resources  
25 and authority to maintain such autonomy.

26                                   Record Retention and Provision

27             10.    The Gree Companies shall ensure retention of all CPSA  
28 compliance-related records for at least five (5) years and shall

1 make such records available to the government or CPSC staff upon  
2 reasonable request, subject to applicable laws and regulations, as  
3 well as valid claims of attorney-client privilege or attorney work  
4 product doctrine. However, the Gree Companies must provide to the  
5 government a log of any document or information that is not provided  
6 based on an assertion of law, regulation, or privilege, and the Gree  
7 Companies bear the burden of establishing the validity of any such  
8 assertions.

9 11. Upon reasonable request of the government or CPSC staff,  
10 the Gree Companies shall provide written documentation of their  
11 compliance-related improvements, processes, and controls, including,  
12 but not limited to, the effective dates of such improvements,  
13 processes, and controls. Upon reasonable request, the Gree  
14 Companies shall cooperate fully and truthfully with the government  
15 and CPSC staff to make available, in a manner agreed to by the  
16 parties, all non-privileged information and materials, and personnel  
17 deemed necessary by the government or CPSC staff, to identify and  
18 evaluate records related to the Gree Companies' compliance with the  
19 CPSA, its implementing regulations, agreements with the CPSC, and  
20 the Compliance Program. The Gree Companies' cooperation pursuant to  
21 this paragraph is subject to applicable laws and regulations, as  
22 well as valid claims of attorney-client privilege or attorney work  
23 product doctrine. However, the Gree Companies must provide to the  
24 government a log of any document or information that is not provided  
25 based on an assertion of law, regulation, or privilege, and the Gree  
26 Companies bear the burden of establishing the validity of any such  
27 assertions.

28

Compliance Expert

1  
2 12. The Gree Companies shall retain, at the Gree Companies'  
3 expense, an independent person or persons (the "Expert"), without  
4 personal or financial ties (other than the retention agreement  
5 between the parties) to the Gree Companies and/or the families of  
6 their senior management, who by reason of background, experience,  
7 education, and training, is qualified to advise the Gree Companies  
8 on product safety and regulatory compliance issues under the CPSA  
9 and its implementing regulations. The Expert's qualifications shall  
10 include, but not be limited to, creating comprehensive product  
11 safety and regulatory compliance policies, designing employee  
12 training programs, and conducting regulatory compliance audits and  
13 inspections. The Gree Companies shall notify the government in  
14 writing of the name(s) and qualifications of the Expert as soon as  
15 they retain the Expert.

16 13. Within six months of the Effective Date of the Deferred  
17 Prosecution Agreement with Gree Zhuhai and Gree Hong Kong, the  
18 Expert shall, in consultation with the Gree Companies, start the  
19 process of auditing and advising the Gree Companies on the following  
20 aspects of their Compliance Program:

21 a. written standards, policies and procedures that  
22 provide for the appropriate forwarding to compliance personnel of  
23 all information that may relate to, or impact, CPSA compliance,  
24 including all reports and complaints involving consumer products  
25 manufactured, imported, or distributed by the Gree Companies and  
26 sold in the United States, whether an injury is referenced or not;

27 b. a mechanism for confidential employee reporting of  
28 compliance-related questions or concerns to either a compliance

1 officer or to another senior manager with authority to act as  
2 necessary;

3 c. effective communication of compliance-related  
4 policies and procedures regarding the CPSA to all applicable  
5 employees through training programs or otherwise;

6 d. senior management responsibility for CPSA compliance  
7 and accountability for violations of the CPSA and its implementing  
8 regulations; and

9 e. retention of all CPSA compliance-related records for  
10 at least five (5) years, and availability of such records to the  
11 government or CPSC staff upon reasonable request.

12 14. The Expert shall report to the government periodically, at  
13 no less than twelve-month intervals during a three-year term (the  
14 "Term"), regarding the Gree Companies' remediation and  
15 implementation of their Compliance Program and these Enhanced  
16 Compliance Measures. The Term shall begin on the Effective Date of  
17 the Deferred Prosecution Agreement with Gree Zhuhai and Gree Hong  
18 Kong. During the Term, the Expert shall submit an initial report  
19 and at least two (2) follow-up reports (collectively the "Expert  
20 Reports").

21 a. By no later than twelve (12) months from the  
22 Effective Date of the Deferred Prosecution Agreement with Gree  
23 Zhuhai and Gree Hong Kong, the Expert shall submit to the government  
24 a written report (the "initial Expert Report") setting forth a  
25 description of the Gree Companies' remediation efforts to date, and  
26 when necessary and appropriate, their proposals reasonably designed  
27 to improve their Compliance Program for ensuring consumer product  
28 safety and compliance with the CPSA. The initial Expert Report

1 shall include an evaluation of the aspects of the Gree Companies'  
2 Compliance Program set forth in Paragraph 13 above.

3           b. The Expert shall submit to the government at least  
4 two (2) follow-up written reports (the "follow-up Expert Reports").  
5 The first follow-up Expert Report shall be completed and delivered  
6 to the government no later than twelve (12) months after the initial  
7 Expert Report is submitted to the government. The second follow-up  
8 Expert Report shall be completed and delivered to the government no  
9 later than thirty (30) days before the end of the Term or twelve  
10 (12) months after the first follow-up Expert Report, whichever is  
11 earlier. The follow-up Expert Reports shall assess whether the Gree  
12 Companies' Compliance Program is reasonably designed to ensure  
13 consumer product safety and compliance with the CPSA, and include an  
14 evaluation of the aspects of the Gree Companies' Compliance Program  
15 set forth in Paragraph 13 above.

16           c. The Expert Reports likely will include proprietary,  
17 financial, confidential, and competitive business information.  
18 Public disclosure of the Expert Reports could discourage cooperation  
19 or impede pending or potential government investigations and thus  
20 undermine the objectives of the reporting requirement. For these  
21 reasons, among others, the Expert Reports and contents thereof are  
22 intended to remain and shall remain non-public, except as otherwise  
23 agreed to by the Gree Companies and the government in writing, or  
24 except to the extent that the government determines in its sole  
25 discretion that disclosure would be in furtherance of the  
26 government's discharge of its duties and responsibilities or is  
27 otherwise required by law.

28

1 d. The Expert or the Gree Companies may submit a timely  
2 written request for an extension of time to provide any of the  
3 Expert Reports. A written request is timely if received by the  
4 government at least five (5) days before the date the report is due.  
5 Timely requests for extension will not be unreasonably denied.

6 **II. Gree Reporting Requirements**

7 15. The Gree Companies shall report to the government  
8 periodically, at no less than twelve-month intervals during the  
9 three-year Term, regarding their remediation and implementation of  
10 the Compliance Program and these Enhanced Compliance Measures. As  
11 with the Expert Reports, the Term shall begin on the Effective Date  
12 of the Deferred Prosecution Agreement with Gree Zhuhai and Gree Hong  
13 Kong. During the Term, the Gree Companies shall:

14 a. Conduct an initial review and submit an initial  
15 report; and

16 b. Conduct and prepare at least two (2) follow-up  
17 reviews and reports, as described below.

18 16. By no later than twelve (12) months from the Effective  
19 Date of the Deferred Prosecution Agreement with Gree Zhuhai and Gree  
20 Hong Kong, the Gree Companies shall submit to the government a  
21 written report (the "initial Gree Report") setting forth a complete  
22 description of their remediation efforts to date, and when necessary  
23 and appropriate, their proposals reasonably designed to improve the  
24 Gree Companies' Compliance Program for ensuring consumer product  
25 safety and compliance with the CPSA, and the proposed scope of the  
26 subsequent reviews.

27 17. The Gree Companies shall undertake at least two (2)  
28 follow-up reviews and reports (the "follow-up Gree Reports"),



1 incorporating the government's views on the Gree Companies' previous  
2 reviews and reports, to further monitor and assess whether the Gree  
3 Companies' Compliance Program is reasonably designed to ensure  
4 consumer product safety and detect and prevent violations of the  
5 CPSA.

6 18. The first follow-up Gree Report shall be completed and  
7 delivered to the government no later than twelve (12) months after  
8 the initial Gree Report is submitted to the government. The second  
9 follow-up Gree Report shall be completed and delivered to the  
10 government no later than thirty (30) days before the end of the Term  
11 or twelve (12) months after the first follow-up Gree Report,  
12 whichever is earlier.

13 19. The initial and follow-up Gree Reports may rely on,  
14 reference, or incorporate, in whole or in part, the Expert Reports.

15 20. The Gree Reports likely will include proprietary,  
16 financial, confidential, and competitive business information.  
17 Public disclosure of the Gree Reports could discourage cooperation  
18 or impede pending or potential government investigations and thus  
19 undermine the objectives of the reporting requirement. For these  
20 reasons, among others, the Gree Reports and contents thereof are  
21 intended to remain and shall remain non-public, except as otherwise  
22 agreed to by the Gree Companies and the government in writing, or  
23 except to the extent that the government determines in its sole  
24 discretion that disclosure would be in furtherance of the  
25 government's discharge of its duties and responsibilities or is  
26 otherwise required by law.

27 21. The Gree Companies may submit a timely written request for  
28 an extension of time to provide any of the Gree Reports. A written

1 request is timely if received by the government at least five (5)  
2 days before the date the report is due. Timely requests for  
3 extension will not be unreasonably denied.

4 **III. Certifications and Resolutions**

5 22. In addition to the Gree Companies' reporting requirements  
6 set forth in Paragraphs 15-21, the Gree Companies shall make annual  
7 compliance-related certifications and resolutions to the government  
8 as described below:

9 a. The Gree Companies shall conduct the reviews  
10 described in this paragraph and Paragraph 23 for each of three (3)  
11 Review Periods. The duration of each Review Period shall be twelve  
12 (12) months, beginning with the first twelve (12) month period  
13 following the Effective Date of the Deferred Prosecution Agreement  
14 with Gree Zhuhai and Gree Hong Kong. The Gree Companies shall  
15 provide the certifications and resolutions described in this  
16 paragraph and Paragraph 23 to the government within one hundred  
17 twenty (120) days following the end of each of the Review Periods.

18 b. Following the end of each Review Period, the  
19 President or Chief Executive Officer ("President") of Gree Zhuhai  
20 shall conduct a review of the Gree Companies' compliance with their  
21 obligations under the Compliance Program and these Enhanced  
22 Compliance Measures. Based on his or her review, the President  
23 shall submit to the government a certification stating that, to the  
24 best of his or her knowledge based on a reasonable inquiry, during  
25 the preceding Review Period, the Gree Companies complied with all  
26 its obligations under the Compliance Program and these Enhanced  
27 Compliance Measures. The certification shall summarize the review  
28 described above. If the President is unable to provide any part of

1 this certification as specified herein, he or she shall provide a  
2 detailed explanation of why he or she is unable to provide such  
3 certification. The certification and detailed explanation shall be  
4 sworn to under the pains and penalty of perjury in the United States  
5 (and, if applicable, under the pains and penalty of perjury in the  
6 jurisdiction where the President makes the certification or detailed  
7 explanation ("Other Jurisdiction")) and shall set forth that the  
8 representations contained therein may be provided to, relied upon,  
9 and material to the United States (and, if applicable, the Other  
10 Jurisdiction), and that a knowing false statement could result in  
11 criminal or civil liability for the signatory in the United States  
12 (and, if applicable, the Other Jurisdiction).

13 23. Following the end of each Review Period, the Board of  
14 Directors of Gree Zhuhai or a designated Committee thereof (the  
15 "Board"), shall conduct a review of the Gree Companies' compliance  
16 with their obligations under the Compliance Program and these  
17 Enhanced Compliance Measures. The Board shall evaluate the Gree  
18 Companies' compliance by, at a minimum, receiving updates about the  
19 activities of management employees responsible for ensuring  
20 compliance with the Compliance Program and these Enhanced Compliance  
21 Measures, and updates about the adoption and implementation of  
22 policies, procedures, and practices as it relates to such  
23 compliance. Based on its review, the Board shall submit to the  
24 government a resolution that summarizes its review and oversight as  
25 set forth above and that includes, at a minimum, the following  
26 language:

27 The Board of Directors of Gree Zhuhai (or a designated  
28 Committee of the Board) has made a reasonable inquiry

1 as described in Paragraph 23 of the Enhanced Compliance  
2 Measures Exhibit D to the Plea Agreement with Gree USA  
3 and the Deferred Prosecution Agreement with Gree Zhuhai  
4 and Gree Hong Kong concerning the Gree Companies'  
5 compliance with their obligations under the Compliance  
6 Program and the Enhanced Compliance Measures in Exhibit  
7 D for the preceding Review Period, [insert date range],  
8 including the performance of management employees  
9 responsible for ensuring such compliance. Based on its  
10 reasonable inquiry and review, the Board has concluded  
11 that, to the best of its knowledge, the Gree Companies  
12 have complied with all their obligations under the  
13 Compliance Program and the Enhanced Compliance Measures  
14 in Exhibit D to the Plea Agreement with Gree USA and  
15 the Deferred Prosecution Agreement with Gree Zhuhai and  
16 Gree Hong Kong.

17 If the Board is unable to provide any part of this statement, it  
18 shall include in the resolution a written explanation of the reasons  
19 why it is unable to provide such a statement.

20 24. The Gree Companies may submit a timely written request for  
21 an extension of time to provide the annual President certification  
22 or Board resolution required in Paragraphs 22 and 23. A written  
23 request is timely if received by the government at least five (5)  
24 days prior to the date by which the certification or resolution is  
25 due. Timely requests for extension will not be unreasonably denied.

26 25. All certifications, resolutions, reports, notifications  
27 and other materials and information that must be provided to the  
28 government as a part of these Enhanced Compliance Measures shall be  
delivered by: (1) email to an email address provided by the  
government; and (2) personal delivery, or overnight delivery by a  
recognized delivery service addressed to the following:

Director, Consumer Protection Branch  
U.S. Department of Justice  
450 5th Street, NW, Suite 6400 South  
Washington, DC 20001

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and

Chief, Environmental and Community Safety Crimes Section  
U.S. Attorney's Office  
Central District of California  
1300 United States Courthouse  
312 North Spring Street  
Los Angeles, CA 90012

CERTIFICATE OF SERVICE

I, **Catherine Wilkinson**, declare:

That I am a citizen of the United States and a resident of or employed in Los Angeles County, California; that my business address is the Office of United States Attorney, 312 North Spring Street, Los Angeles, California 90012; that I am over the age of 18; and that I am not a party to the above-titled action;

That I am employed by the United States Attorney for the Central District of California, who is a member of the Bar of the United States District Court for the Central District of California, at whose direction I served a copy of:

**Plea Agreement**

- Placed in a closed envelope for collection and inter-office delivery, addressed as follows:
- Placed in a sealed envelope for collection and mailing via United States mail, addressed as follows:
- By hand delivery, addressed as follows:
- By facsimile, as follows:
- Via email, as follows:
- By Federal Express, as follows:

**Email: jkukios@mofo.com**  
**scash@mofo.com**

This Certificate is executed on **October 28, 2021**, at Los Angeles, California. I certify under penalty of perjury that the foregoing is true and correct.

*Catherine Wilkinson*  
\_\_\_\_\_  
Catherine Wilkinson  
Legal Assistant