

**United States District Court
Central District of California**

UNITED STATES OF AMERICA vs.

Docket No. CR 21-00498 DSF-3

Defendant Gree USA, Inc.

Social Security No. N O N E

akas: N/A

(Last 4 digits)

JUDGMENT AND PROBATION/COMMITMENT ORDER

In the presence of the attorney for the government, the defendant appeared in person on this date.

MONTH	DAY	YEAR
04	24	2023

COUNSEL James M. Koukios
(Name of Counsel)

PLEA **GUILTY**, and the court being satisfied that there is a factual basis for the plea. **NOLO CONTENDERE** **NOT GUILTY**

FINDING There being a finding/verdict of **GUILTY**, defendant has been convicted as charged of the offense(s) of: Knowing and Willful Failure to Report Information Regarding Consumer Product Safety Defects, Hazards, and Risks, 15 U.S.C. § 2068(a)(4) – Count 1.

JUDGMENT AND PROB/COMM ORDER The Court asked whether there was any reason why judgment should not be pronounced. Because no sufficient cause to the contrary was shown, or appeared to the Court, the Court adjudged the defendant guilty as charged and convicted and ordered that: Pursuant to the Sentencing Reform Act of 1984, it is the judgment of the Court that the defendant is hereby committed to the custody of the Bureau of Prisons to be imprisoned for a term of: N/A.

It is ordered that the defendant GREE USA, INC. shall pay to the United States a special assessment of \$400, which is due immediately.

It is ordered that the defendant shall pay to the United States a total fine of \$500,000. The fine shall be paid in full within 10 business days of the entry of judgment in this case.

It is ordered that the defendant shall pay restitution pursuant to 18 U.S.C. § 3663(a)(3). The Court appoints BrownGreer as Special Master under 18 U.S.C. § 3664(d)(6) as appropriate and necessary to determine the proper payment of the restitution set forth in Paragraphs 10 and 11 of the defendant’s plea agreement (Dkt. No. 8). The Special Master is ordered to make findings of fact regarding: (a) who should receive restitution under Paragraphs 10 and 11 of the defendant’s plea agreement; and (b) the restitution amounts that these individuals and entities should receive under Paragraphs 10 and 11 of the defendant’s plea agreement.

In connection with the administration and disposition of restitution in this matter, the Special Master is ordered to: (a) notify potential claimants of the restitution claim process within one hundred twenty (120) days of the defendant’s sentencing proceeding; (b) collect restitution claims for a period of one hundred eighty (180) days after the date of the last notice to potential claimants; (c) determine the validity of each submitted restitution claim, and for each valid claim, determine the amount of restitution owed for that claim; (d) implement, within one hundred twenty (120) days of the sentencing proceeding, appropriate procedures necessary to carry out the foregoing duties; (e) promptly notify defendant, co-defendants GREE ELECTRIC APPLIANCES, INC. OF ZHUHAI, and HONG KONG GREE ELECTRIC APPLIANCES SALES CO., LTD., and the government of all claims received; and (f) report to the Court every sixty (60) days following the defendant’s sentencing proceeding on the status of the Special Master’s work to date, anticipated future efforts, and any matters the Special Master believes require the Court’s attention. Restitution claims submitted later than one hundred eighty (180) days after the date of the last notice to potential claimants are not

eligible for restitution.

The defendant is ordered to pay any claim on which the Special Master decides that restitution is owed within ten (10) days after the Special Master's decision on that claim becomes final. It is ordered that the Special Master's decision becomes final forty-five (45) days after the first notice of the decision to defendant, co-defendant GREE ELECTRIC APPLIANCES, INC. OF ZHUHAI, or codefendant HONG KONG GREE ELECTRIC APPLIANCES SALES CO., LTD.

The defendant is further ordered to pay any restitution award of fifty thousand dollars (\$50,000) or less within ten days after the Special Master's decision becomes final. The defendant has no right to appeal any decision by the Special Master awarding restitution of fifty thousand dollars (\$50,000) or less.

It is further ordered that the defendant may appeal to this Court any decision awarding restitution greater than fifty thousand dollars (\$50,000). If the defendant appeals or challenges the Special Master's decision within forty-four (44) days after the first notice of the Special Master's decision to defendant, co-defendant GREE ELECTRIC APPLIANCES, INC. OF ZHUHAI, or co-defendant HONG KONG GREE ELECTRIC APPLIANCES SALES CO., LTD., the Special Master's decision does not become final until all of defendant's appeals as to that award have been exhausted.

It is further ordered that all decisions by the Special Master will be vested in its discretion and, if contested, will be reviewed under the arbitrary-and-capricious standard set forth in 5 U.S.C. § 706(2)(A). Review of any decision by the Special Master will be based exclusively on the written record before the Special Master at the time of the Special Master's decision. No discovery will be taken in a challenge to the Special Master's decision.

It is further ordered that the defendant will have a reasonable opportunity to investigate and challenge any claim before the Special Master makes a decision on that claim. The defendant's reasonable opportunity to investigate and challenge a claim will not exceed six (6) months from the first notification to defendant, co-defendant GREE ELECTRIC APPLIANCES, INC. OF ZHUHAI, or co-defendant HONG KONG GREE ELECTRIC APPLIANCES SALES CO., LTD. of the claim, unless the Special Master decides to extend the time for the defendant to investigate and challenge a claim. In no event will the defendant's opportunity to investigate and challenge a claim exceed twelve (12) months after the first notification to defendant, codefendant GREE ELECTRIC APPLIANCES, INC. OF ZHUHAI, or co-defendant HONG KONG GREE ELECTRIC APPLIANCES SALES CO., LTD. of the claim. It is further ordered that the Special Master may request from the Court a reasonable extension of the time periods mentioned previously as circumstances warrant.

It is further ordered that the defendant shall promptly provide to the Special Master all documentary materials or testimonial information reasonably requested by the Special Master, subject to applicable laws and regulations, as well as valid claims of attorney-client privilege or attorney work product doctrine. However, the defendant must provide to the government a log of any document or information that is not provided based on an assertion of law, regulation, or privilege, and the defendant bears the burden of establishing the validity of any such assertions.

It is further ordered that the defendant shall pay in full any costs, fees, and expenses the Special Master incurs in carrying out its duties separate and apart from any restitution paid to victims with valid restitution claims.

The Court advised the defendant of the right to appeal this judgment.

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SENTENCING FACTORS: The sentence is based on the factors set forth in 18 U.S.C. §3553, including the applicable sentencing range set forth in the guidelines, as more particularly reflected in the court reporter's transcript.

April 24, 2023

Date



U. S. District Judge DALE S. FISCHER

Clerk, U.S. District Court

April 24, 2023

Filed Date

By /s/ Patricia Kim

Deputy Clerk

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The defendant must also comply with the following special conditions (set forth below).

STATUTORY PROVISIONS PERTAINING TO PAYMENT AND COLLECTION OF FINANCIAL SANCTIONS

The defendant must pay interest on a fine or restitution of more than \$2,500, unless the court waives interest or unless the fine or restitution is paid in full before the fifteenth (15th) day after the date of the judgment under 18 U.S.C. § 3612(f)(1). Payments may be subject to penalties for default and delinquency under 18 U.S.C. § 3612(g). Interest and penalties pertaining to restitution, however, are not applicable for offenses completed before April 24, 1996. Assessments, restitution, fines, penalties, and costs must be paid by certified check or money order made payable to "Clerk, U.S. District Court." Each certified check or money order must include the case name and number. Payments must be delivered to:

United States District Court, Central District of California
Attn: Fiscal Department
255 East Temple Street, Room 1178
Los Angeles, CA 90012

or such other address as the Court may in future direct.

If all or any portion of a fine or restitution ordered remains unpaid after the termination of supervision, the defendant must pay the balance as directed by the United States Attorney's Office. 18 U.S.C. § 3613.

The defendant must notify the United States Attorney within thirty (30) days of any change in the defendant's mailing address or residence address until all fines, restitution, costs, and special assessments are paid in full. 18 U.S.C. § 3612(b)(1)(F).

The defendant must notify the Court (through the Probation Office) and the United States Attorney of any material change in the defendant's economic circumstances that might affect the defendant's ability to pay a fine or restitution, as required by 18 U.S.C. § 3664(k). The Court may also accept such notification from the government or the victim, and may, on its own motion or that of a party or the victim, adjust the manner of payment of a fine or restitution under 18 U.S.C. § 3664(k). See also 18 U.S.C. § 3572(d)(3) and for probation 18 U.S.C. § 3563(a)(7).

Payments will be applied in the following order:

1. Special assessments under 18 U.S.C. § 3013;
2. Restitution, in this sequence (under 18 U.S.C. § 3664(i), all nonfederal victims must be paid before the United States is paid):
 - Non-federal victims (individual and corporate),
 - Providers of compensation to non-federal victims,
 - The United States as victim;
3. Fine;
4. Community restitution, under 18 U.S.C. § 3663(c); and
5. Other penalties and costs.

CONDITIONS OF PROBATION AND SUPERVISED RELEASE PERTAINING TO FINANCIAL SANCTIONS

As directed by the Probation Officer, the defendant must provide to the Probation Officer: (1) a signed release authorizing credit report inquiries; (2) federal and state income tax returns or a signed release authorizing their disclosure and (3) an accurate financial statement, with supporting documentation as to all assets, income and expenses of the defendant. In addition, the defendant must not apply for any loan or open any line of credit without prior approval of the Probation Officer.

When supervision begins, and at any time thereafter upon request of the Probation Officer, the defendant must produce to the Probation and Pretrial Services Office records of all bank or investments accounts to which the defendant has access, including any business or trust accounts. Thereafter, for the term of supervision, the defendant must notify and receive approval of the Probation Office in advance of opening a new account or modifying or closing an existing one, including adding or deleting signatories; changing the account number or name, address, or other identifying information affiliated with the account; or any other modification. If the Probation Office approves the new account, modification or closing, the defendant must give the Probation Officer all related account records within 10 days of opening, modifying or closing the account. The defendant must not direct or ask anyone else to open or maintain any account on the defendant's behalf.

The defendant must not transfer, sell, give away, or otherwise convey any asset with a fair market value in excess of \$500 without approval of the Probation Officer until all financial obligations imposed by the Court have been satisfied in full.

These conditions are in addition to any other conditions imposed by this judgment.

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RETURN

I have executed the within Judgment and Commitment as follows:

Defendant delivered on _____ to _____

Defendant noted on appeal on _____

Defendant released on _____

Mandate issued on _____

Defendant's appeal determined on _____

Defendant delivered on _____ to _____

at _____
 the institution designated by the Bureau of Prisons, with a certified copy of the within Judgment and Commitment.

United States Marshal

 Date

By _____
 Deputy Marshal

CERTIFICATE

I hereby attest and certify this date that the foregoing document is a full, true and correct copy of the original on file in my office, and in my legal custody.

Clerk, U.S. District Court

 Filed Date

By _____
 Deputy Clerk

FOR U.S. PROBATION OFFICE USE ONLY

Upon a finding of violation of probation or supervised release, I understand that the court may (1) revoke supervision, (2) extend the term of supervision, and/or (3) modify the conditions of supervision.

These conditions have been read to me. I fully understand the conditions and have been provided a copy of them.

(Signed) _____
 Defendant

 Date

 U. S. Probation Officer/Designated Witness

 Date