

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF GEORGIA
AUGUSTA DIVISION

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	
)	Civil No. CV114-117-JRH-BKE
v.)	
)	CONSENT DECREE OF
ELECTROLUX HOME PRODUCTS, INC.)	CIVIL PENALTY AND
)	PERMANENT INJUNCTION
Defendant.)	
)	

Plaintiff, the United States of America, has commenced this action by filing a Complaint for Civil Penalties and Permanent Injunctive Relief pursuant to 15 U.S.C. §§ 2064(b), 2068(a)(4), 2069, and 2071(a), against Electrolux Home Products, Inc. (“Electrolux” or “Defendant”). Electrolux has waived service of the summons and the complaint. The parties, represented by the counsel identified below, have agreed to this settlement of the action without adjudication of any issue of fact or law.

The parties have agreed to settlement of all allegations in the Complaint and consent to the entry of this Consent Decree for Permanent Injunction and Payment of Civil Penalty (“Decree”). THEREFORE, it is hereby ORDERED as follows:

1. In its Complaint, the United States alleges that Electrolux knowingly violated the requirement contained in the Consumer Product Safety Act (“CPSA”), to immediately furnish to the Consumer Product Safety Commission (“CPSC” or “Commission”) the information required by 15 U.S.C. § 2064(b) upon obtaining information which reasonably supported the conclusion

that (1) a product that it distributed contained a defect that could create a substantial product hazard, and (2) a product that it distributed created an unreasonable risk of serious injury or death.

2. In its Complaint, the United States further alleges that there is a reasonable likelihood that Electrolux will continue to violate the CPSA reporting requirement.

3. The parties have stipulated that this Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§ 1331, 1345, and 1355(a).

4. The parties have stipulated that venue in this District is proper pursuant to 28 U.S.C. §§ 1391(b), (c) and 1395(a).

5. The parties have stipulated that the Complaint states a claim upon which relief may be granted against Defendant under the CPSA, 15 U.S.C. §§ 2068(a); 2069(a) and 2071.

6. The parties have stipulated that at all relevant times, Electrolux was a "manufacturer," as defined in 15 U.S.C. § 2052(a)(11), of the ovens described in the Complaint.

7. Defendant enters into this Order freely and without coercion. Defendant further acknowledges that it has read the provisions of this Order and is prepared and able to abide by them.

8. The United States believes settlement of this case on the terms described below is in the public interest and that injunctive relief is necessary to prevent future violations of the CPSA.

9. Defendant does not admit that the law has been or is likely to be violated, but believes settlement is appropriate to avoid the time and expense of litigation.

10. Defendant waives any claim that it may hold under the Equal Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action through the date of this Order, and agrees to bear its own costs and attorneys' fees.

I. CIVIL PENALTY

A. Defendants shall pay seven hundred and fifty thousand dollars (\$750,000.00) to the United States as a civil penalty, pursuant to 15 U.S.C. § 2069. Within fourteen days of entry of this Order, Defendant shall transfer the civil penalty payment in the form of an electronic fund transfer in accordance with the procedures specified by the Consumer Protection Branch, Civil Division, U.S. Department of Justice, Washington, DC 20530.

B. In the event of any default in payment required in Paragraph A, the entire unpaid amount shall constitute a debt due and immediately owing by Electrolux to the United States, and interest shall accrue and be paid by Electrolux at the federal legal rate of interest set forth at 28 U.S.C. § 1961 from the date of default until the payment has been paid in full.

C. Defendant relinquishes all dominion, control, and title to the funds paid to the fullest extent permitted by law. Defendant shall make no claim to or demand for return of the funds, directly or indirectly, through counsel or otherwise.

D. The judgment amount set forth in this Section represents a civil penalty owed to the United States Government, is not compensation for actual pecuniary loss, and, therefore, is not subject to discharge under the Bankruptcy Code pursuant to 11 U.S.C. § 523(a)(7).

E. Defendants agree that the facts as alleged in the Complaint filed in this action shall be taken as true, without further proof, in any subsequent civil litigation filed by or on behalf of the United States to enforce its rights to payment under this Section.

II. INJUNCTIVE RELIEF

A. Electrolux shall implement and shall maintain a compliance program designed to ensure compliance with the safety statutes and regulations enforced by the Commission that, at a minimum, contains the following elements:

- i. written standards and policies;
- ii. a mechanism for confidential employee reporting of compliance-related questions or concerns to either a compliance officer or to another senior manager with authority to act as necessary;
- iii. effective communication of company compliance-related policies and procedures to all employees through training programs or otherwise;
- iv. senior manager responsibility for compliance;
- v. board oversight of compliance; and
- vi. retention of records reasonably related to compliance with the safety statutes and regulations enforced by the Commission for at least five (5) years and availability of such records to Commission staff upon reasonable request.

B. Electrolux shall maintain and enforce a system of internal controls and procedures designed to ensure that:

- i. information required by law to be disclosed by Electrolux to the Commission is recorded, processed and reported in accordance with applicable law;
- ii. all required reporting made to the Commission is timely, truthful, complete and accurate; and
- iii. prompt disclosure is made to Electrolux's management of any material deficiencies or material weaknesses in the design or operation of such internal controls that are

reasonably likely to adversely affect in any material respect Electrolux's ability to record, process, and report to the Commission in accordance with applicable law.

C. Electrolux shall provide to the Commission written documentation of such improvements, processes, and controls, including, but not limited to, the effective dates of such improvements, processes, and controls, upon reasonable request by the CPSC staff. Electrolux shall cooperate fully and truthfully with Commission staff and shall make available all information, materials, and personnel reasonably necessary for Commission staff to evaluate Electrolux's compliance with the terms of the Order, subject to applicable privileges, and with provisions for maintaining the confidentiality of confidential information.

III. MISCELLANEOUS PROVISIONS

A. This Order shall be binding on the successors and assigns of Electrolux, and any such successors and assigns shall be subject to the terms of this Order.

B. For a period of five years from the entry of this agreement by the Court, Defendant shall notify the CPSC General Counsel in writing within 30 calendar days after any reorganization, consolidation, merger, acquisition, dissolution, assignment, sale, transfer or similar transaction or series of transactions resulting in a successor entity, the transfer or disposition of substantially all of the assets of Defendant or any other changes in corporate structure that may affect compliance obligations arising out of this Order.

C. Defendant shall notify the CPSC General Counsel in writing within 14 days of any change in the person to which communications from the CPSC should be addressed.

D. All parties shall bear their own fees and costs incurred in this litigation through the date of entry of this Order.

E. This Court retains jurisdiction of this matter for the purpose of enabling any of the parties to this Order to apply to the Court at any time for such further orders or directives as may

be necessary or appropriate for the enforcement of compliance therewith, or for the punishment of violations thereof.

F. The United States may seek reasonable costs and attorneys' fees upon succeeding in a suit to enforce this Order.

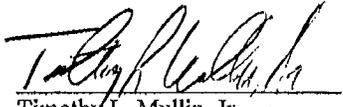
G. The parties, by their respective counsel, hereby consent to entry of the foregoing Decree, which shall constitute a final judgment and order in this matter. The parties further stipulate and agree that the entry of the foregoing Decree shall constitute full, complete, and final settlement of this action.

FOR THE DEFENDANT:



B. Chad Strickland
Director of Product Safety—North America

Date: May 9, 2014



Timothy L. Mullin, Jr.
Miles & Stockbridge, P.C.
Attorney for Defendant

Date: 5/9/2014

FOR THE UNITED STATES:

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