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9
10 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
11 OF THE STATE OF CALIFORNIA
12

13	In the Matter of:)	OAH CASE NO. 2020010630
14	THE COMMISSIONER OF BUSINESS)	
15	OVERSIGHT,)	SETTLEMENT AGREEMENT
16	Complainant,)	Hearing Dates: July 15, 2020
17	v.)	Hearing Time: 9:00 a.m.
18	ENERGY & ENVIRONMENT, INC., ENERGY)	Location: OAH Los Angeles
19	& ENVIRONMENTAL INVESTMENTS, LLC,)	320 W. 4th Street
20	AND AMIR A. SARDARI,)	Sixth floor, Suite 630
21	Respondents.)	Los Angeles, CA 90013-2344
22)	
23)	ALJ: Unassigned
24)	

25 This Settlement Agreement (the Settlement Agreement) is entered between the Commissioner
26 of Business Oversight (Commissioner) and Energy & Environment, Inc., Energy & Environmental
27 Investments, LLC, and Amir A. Sardari (the Respondents) (collectively, the Parties), and is made
28 with respect to the following facts.

1 **I.**

2 **Recitals**

3 A. The Commissioner is the head of the Department of Business Oversight (Department)
4 and is responsible for the regulation of the offer and sale of securities in California, pursuant to the
5 Corporate Securities Law of 1968 (CSL) (Corporations Code section 25000 et seq.).

6 B. Amir A. Sardari is the President and Chief Executive Officer of Energy &
7 Environment, Inc., and Energy & Environmental Investments, LLC, and therefore, authorized to
8 enter into this Settlement Agreement on his own behalf and on behalf of Energy & Environment, Inc.,
9 and Energy & Environmental Investments, LLC.

10 C. On November 8, 2019, the Commissioner issued a desist and refrain order (the 2019
11 Desist and Refrain Order) against the Respondents for failing to disclose material facts in connection
12 with the offer and sale of the securities, in violation of Corporations Code section 25401. The 2019
13 Desist and Refrain Order was served on the Respondents.

14 D. On December 28, 2019, the Respondents requested an administrative hearing on the
15 allegations set forth in the 2019 Desist and Refrain Order. The administrative hearing is currently set
16 to begin trial before the Office of Administrative Hearings (OAH) on July 15, 2020, OAH case
17 number 2020010630.

18 NOW, THEREFORE, in consideration of the foregoing and the terms and conditions set forth
19 herein, the Parties agree as follows.

20 **II.**

21 **Terms**

22 1. **Purpose.** This Settlement Agreement resolves the issues before the Commissioner set
23 forth in paragraphs A through D, above, in a manner that avoids the expense of a hearing and other
24 possible court proceedings, protects consumers, is in the public interest, and is consistent with the
25 purposes, and provisions of the CSL.

26 2. **Acknowledgment.** The Respondents acknowledge that the Commissioner issued and
27 served them with the 2019 Desist and Refrain Order in which the Commissioner alleged the
28 Respondents offered and sold securities in California and failed to disclose material facts in

1 connection with the offer and sale of these securities, in violation of Corporations Code section
2 25401, as set forth above.

3 3. Final Desist and Refrain Order. The Respondents stipulate to the finality of the 2019
4 Desist and Refrain Order, and agree to desist and refrain from offering or selling or buying or
5 offering to buy any security in the State of California by means of any written or oral communication
6 which includes an untrue statement of a material fact, or omits to state a material fact necessary in
7 order to make the statements made, in light of the circumstances under which they were made, not
8 misleading. The 2019 Desist and Refrain Order is final and effective from the Effective Date of this
9 Settlement Agreement, as defined in paragraph 22.

10 4. Waiver of Hearing Rights. The Respondents agree that this Settlement Agreement
11 shall have the effect of withdrawing their request for an administrative hearing on the matter set forth
12 herein. The Respondents acknowledge their right to an administrative hearing under the CSL in
13 connection with the 2019 Desist and Refrain Order and hereby waive such right to a hearing and to
14 any reconsideration, appeal, or other rights which may be afforded them under the CSL, the
15 Administrative Procedure Act (APA) (Gov. Code, § 11340 et seq.), the Code of Civil Procedure
16 (CCP) (Code Civ. Proc., § 1 et seq.), or any provision of law in connection with this matter.

17 5. Full and Final Settlement. The Parties hereby acknowledge and agree that this
18 Settlement Agreement is intended to constitute a full, final, and complete resolution of the 2019
19 Desist and Refrain Order as identified herein. No further proceedings or actions will be brought by
20 the Commissioner in connection with these matters under the CSL, or any other provision of law,
21 excepting therefrom any proceeding to enforce compliance with the terms of this Settlement
22 Agreement.

23 6. Information Willfully Withheld. The Settlement Agreement may be revoked and the
24 Commissioner may pursue any and all remedies available under law against the Respondents if the
25 Commissioner discovers that the Respondents knowingly or willfully withheld or misrepresented
26 information used for and relied upon in this Settlement Agreement.

27 7. Future Actions by Commissioner. If the Respondents fail to comply with any terms of
28 the Settlement Agreement or violate the 2019 Desist and Refrain Order, they agree that the facts in

1 the 2019 Desist and Refrain Order are admitted for the purpose of proving a violation of this
2 Settlement Agreement and 2019 Desist and Refrain Order. The Respondents further agree that the
3 Commissioner may institute proceedings for any and all violations otherwise unresolved under this
4 Settlement Agreement. The Commissioner reserves the right to bring any future actions against the
5 Respondents, or any of their partners, owners, officers, shareholders, directors, employees, or
6 successors, for any violations of the CSL, other than any violations related to those matters which are
7 the subject of the 2019 Desist and Refrain Order as identified herein.

8 8. Assisting Other Agencies. Nothing in this Settlement Agreement limits the
9 Commissioner's ability to assist a government agency (whether city, county, state, or federal) with
10 any administrative, civil or criminal action brought by that agency against the Respondents or any
11 other person based upon any of the activities alleged in this matter or otherwise.

12 9. Independent Legal Advice. Each of the Parties represents, warrants, and agrees that
13 he, she, or it has received independent advice from its attorney(s) or representative(s) with respect to
14 the advisability of executing the Settlement Agreement.

15 10. Headings. The headings to the paragraphs of this Settlement Agreement are inserted
16 for convenience only and will not be deemed a part hereof or affect the construction or interpretation
17 of the provisions hereof.

18 11. Binding. This Settlement Agreement is binding on all heirs, assigns, and/or successors
19 in interest.

20 12. Reliance. Each of the Parties represents, warrants, and agrees that in executing this
21 Settlement Agreement it has relied solely on the statements set forth herein and the advice of its own
22 counsel. Each of the Parties further represents, warrants, and agrees that in executing this Settlement
23 Agreement it has placed no reliance on any statement, representation, or promise of any other party,
24 or any other person or entity not expressly set forth herein, or upon the failure of any party or any
25 other person or entity to make any statement, representation or disclosure of anything whatsoever.
26 The Parties have included this clause: (1) to preclude any claim that any party was in any way
27 fraudulently induced to execute this Agreement; and (2) to preclude the introduction of parol
28 evidence to vary, interpret, supplement, or contradict the terms of this Agreement.

1 13. Waiver, Amendments, and Modifications. No waiver, amendment, or modification of
2 this Settlement Agreement will be valid or binding unless it is in writing and signed by each of the
3 Parties. The waiver of any provision of this Settlement Agreement will not be deemed a waiver of
4 any other provision. No waiver by either party of any breach of, or of compliance with, any condition
5 or provision of this Agreement by the other party will be considered a waiver of any other condition
6 or provision or of the same condition or provision at another time.

7 14. Full Integration. This Settlement Agreement is the final written expression and the
8 complete and exclusive statement of all the agreements, conditions, promises, representations, and
9 covenant between the Parties with respect to the subject matter hereof, and supersedes all prior or
10 contemporaneous agreements, negotiations, representations, understandings, and discussions between
11 and among the parties, their respective representatives, and any other person or entity, with respect to
12 the subject matter covered hereby.

13 15. Governing Law. This Settlement Agreement will be governed by and construed in
14 accordance with California law. Each of the Parties hereto consents to the jurisdiction of such court,
15 and hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient
16 forum to the maintenance of such action or proceeding in such court.

17 16. Counterparts. This Settlement Agreement may be executed in one or more separate
18 counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall
19 together constitute a single document.

20 17. Effect Upon Future Proceedings. If the Respondents apply for any license, permit or
21 qualification under the Commissioner's current or future jurisdiction, or are the subject of any future
22 action by the Commissioner to enforce this Settlement Agreement, then the subject matter hereof
23 shall be admitted for the purpose of such application(s) or enforcement proceeding(s).

24 18. Voluntary Agreement. The Respondents enter into this Settlement Agreement
25 voluntarily and without coercion and acknowledges that no promises, threats, or assurances have
26 been made by the Commissioner or any officer, or agent thereof, about this Settlement Agreement.
27 The Parties each represent and acknowledge that he, she, or it is executing this Settlement Agreement
28 completely voluntarily and without any duress or undue influence of any kind from any source.

1 19. Notice. Any notices required under the Settlement Agreement shall be provided to
2 each party at the following addresses:

3 If to Respondents: Amir A. Sardari
4 Energy & Environment, Inc.
5 Energy & Environmental Investments, LLC
6 Attention: Jon R. Haddan, Esq.
7 Counsel for the Respondents
8 610 Newport Center Drive, Suite 330
9 Newport Beach, California 92660

10 If to the Commissioner: Afsaneh Eghbaldari, Counsel
11 Department of Business Oversight
12 1350 Front Street, Room 2034
13 San Diego, California 92101

14 20. Signatures. A fax or electronic mail signature shall be deemed the same as an original
15 signature.

16 21. Public Record. The Respondents hereby acknowledge that this Settlement Agreement
17 is and will be a matter of public record.

18 22. Effective Date. This Settlement Agreement shall become final and effective when
19 signed by all parties and delivered by the Commissioner’s counsel via e-mail to the Respondents’
20 counsel, Jon R. Haddan, at jrh@haddanzepfel.com.

21 23. Authority to Sign. Each signatory hereto covenants that he or she possesses all
22 necessary capacity and authority to sign and enter into this Settlement Agreement and undertake the
23 obligations set forth herein.

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1 IN WITNESS WHEREOF, the parties hereto have approved and executed the Settlement
2 Agreement on the dates set forth opposite their respective signatures.

3 MANUEL P. ALVAREZ
4 Commissioner of Business Oversight

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6 Dated: June 29, 2020

By _____
7 MARY ANN SMITH
8 Deputy Commissioner
9 Enforcement Division

10 ENERGY & ENVIRONMENT, INC., ENERGY &
11 ENVIRONMENTAL INVESTMENTS, LLC, AND
12 AMIR A. SARDARI

13 Dated: June 22, 2020

By _____
14 AMIR A. SARDARI, individually and on behalf of
15 Energy & Environment, Inc., and Energy &
16 Environmental Investments, LLC

17 APPROVED AS TO FORM:

18 _____
19 Jon R. Haddan, Esq.
20 Counsel for Amir A. Sardari,
21 Energy & Environment, Inc., and
22 Energy & Environmental Investments, LLC
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