ALTAIR
PARTNERS LP

July 6, 2021

VIA ELECTRONIC SUBMISSION

Hon. Michael Regan, Administrator
U.S. Environmental Protection Agency
EPA Docket Center Air and Radiation Docket
Mail Code 28221T
1200 Pennsylvania Avenue NW
Washington, D.C. 20460

www.regulations.gov

Docket ID: EPA–HQ– OAR–2021–0044

Re: Comments of Altair Partners – *Phasedown of Hydrofluorocarbons: Establishing the Allowance Allocation and Trading Program under the American Innovation and Manufacturing Act; Proposed Rule*, 86 Fed. Reg. 27,150 (May 19, 2021)

Dear Administrator Regan:

Altair Partners LP ("***Altair***") appreciates the opportunity to submit the following comments on EPA's proposed allocation system implementing the American Innovation and Manufacturing Act phasedown of hydrofluorocarbons (HFCs). Our comments are supplemented by our June 18, 2021 letter which was previously submitted to EPA via electronic mail. This letter includes data demonstrating the devastating effect on our business from market distortion which needs to be considered in the allowance allocation system.

Altair was formed in 1991 to promote, enhance and solidify international trade and globalization in the halocarbon products markets. Our goal is to provide quality product and pricing while developing long term strategic partnerships within the supply chains of our customers in a knowledgeable responsive professional manner. We are a small family-owned business that prides ourselves in our commitment to our customers and suppliers, our word being our bond. We have been active in the refrigerant market for over 30 years, and have actively participated in the transition from CFCs to HCFCs as stakeholders, and now in the transition to HFCs.

The Courtyard • 343 Millburn Avenue • Suite 201 • Millburn NJ • 07041
Tel (973) 564-6400 • Fax (973) 564-6401 • Email: info@altairpartnerslp.com

I. EPA's Exclusion of Active Companies Based on 2020 Imports Is Not Rational or Legal

EPA has proposed an HFC allowance allocation system in which market participants will be allocated allowances based on their highest annual import volumes within the years 2017-2019; however, EPA has also proposed that companies must have produced or consumed HFCs during the year 2020 to qualify for allowance allocation.[1] EPA explains in the proposed rule that:

> *EPA is proposing to allocate allowances only to companies that produced or imported in 2020, even if they were active in prior years, to increase the likelihood that allowances are allocated to companies that are active in the HFC market. If a company was not actively producing or importing in 2020, EPA would generally presume this means the business exited the production and/or import market. Allocating allowances to companies no longer producing or importing would be at the expense of companies who are still actively invested in HFC production and import. However, the Agency is open to consider something different from this presumption for individual companies if their inactivity was due to the COVID–19 pandemic or some other reason, and they have documentation to justify such inactivity. If a company wants individualized consideration of their market inactivity or activity in 2020, it must submit comments on this rulemaking containing relevant information no later than the end of the comment period.*

86 Fed. Reg. at 27,169-70.[2] EPA's proposal to disqualify companies that did not import HFCs during 2020 is not legally supportable, as the proposal is inconsistent with EPA's stated rationale to allocate allowances to companies that are active participants in the HFC market.

A. Imports and Market Participation Are Not the Same for Allocation Purposes

EPA's presumption that companies without HFC imports in 2020 is illogical and contrary to actual market practices. EPA is improperly equating consumption with imports of HFCs without regard to actual market activity or the resulting fairness of using import data as an imperfect proxy for market activity or market share for purposes of an allowance allocation system that is supposed to be based on "promoting equity, timeliness of implementation, and availability of robust data." 86 Fed. Reg. at 27,169. Notwithstanding EPA's impermissible blanket approach to 2020 HFC imports, EPA has invited companies without 2020 imports to submit data showing that they were active in the market in 2020, notwithstanding an absence of imports.

---

[1] *See, e.g.*, 86 Fed. Reg. at 27,169 ("EPA is proposing to issue allowances to companies that produced or imported HFCs in 2017, 2018, and/or 2019, and were still active in 2020.").

[2] The proposed regulatory text for § 84.11 reads: "Allocation of calendar-year consumption allowances" provides "(a) EPA will issue, through a separate notification, calendar year consumption allowances to entities that imported or produced a bulk regulated substance in 2020, unless an individual accommodation is permitted by a relevant Agency official." 86 Fed. Reg. at 27,211.

B. Altair Requests Individualized Consideration Regarding Market Activity in 2020

Altair respectfully requests "individualized consideration" of their situation, as offered by EPA. Because Altair was and continues to be an active market participant in all relevant years, as described below, we request that EPA allocate allowances to Altair on the same basis as all other active market participants. Altair had significant levels of imports during the 2017-2019 timeframe despite not importing HFCs during 2020. Altair believes that their situation warrants special consideration based on the following data and information, which demonstrates that the Altair was a significant and legitimate market participant in the U.S. market throughout 2020 and continues to be a significant player in the HFC market based on inventory, sales, and market conditions.

In the HFC market generally, there are many reasons that market participants may not have imports in a particular year, based on factors such as the company's inventory, sales projections, market pricing, product supply and availability, shipping terms, producer and exporter terms, other HFC market conditions, and global economic conditions. It is illogical to determine whether a company is active in a market based solely on its imports for a recent year or any year in isolation. Companies will sometimes make large purchases which can be more than a year's worth of inventory, for example, to get more competitive prices from producers. In addition, as EPA knows, global markets during almost all of 2020 were severely disrupted by the global COVID-19 pandemic, which began affecting export markets at the beginning of 2020. Due to the pandemic, supply disruptions with manufacturers caused spot prices for many HFCs to increase. Even in normal times, small businesses such as Altair tend to have somewhat "lumpy" imports and may not import on a regular schedule in the same way as larger companies.

In the case of Altair, we imported significant quantities of HFCs in 2017 and 2018, and accordingly had sufficient inventory at the beginning of 2020 to carry over from previous years, as well as from our HCFC sales. Additionally, in 2019 and 2020, we of necessity purchased HFCs from middlemen importers, rather than importing ourselves, because their prices were at least 20% cheaper than any price that could be obtained through importation. However, at all times during the 2017-2019 period and throughout 2020 and continuing into 2021, Altair was actively selling HFCs in the U.S. refrigerant market. Because Altair has now drawn down inventory through sales in 2020, we now have significant HFC imports completed or scheduled for delivery in 2021.

In sum, Altair was active in the market and there is no rational reason why they should be excluded from HFC allowance allocations based solely on the fact that they did not import HFCs in an arbitrarily chosen year that was also one of the most economically disrupted periods in world economic history. We hope that EPA will reconsider its approach to allowance qualification, or alternatively, determine that Altair is qualified for allowance allocations based on the company-specific information provided.

II. EPA Must Use 2011-2013 for Allowance Allocation Because 2017-2019 Data Is Irreparably Distorted

Altair generally supports EPA's proposed HFC allowance allocation system in which market participants will be allocated allowances based on their highest annual import volumes within a range of years.[3] We support using market data as the basis of allowance allocation, as long as the data is reliable and not affected market distortions. As discussed below, market data for any years after 2013 are irreparably infected by trade distortions which began in the 2014-2015 timeframe and continued through at least 2019.

Using the years 2011-2013 aligns with Congress' choice to use those three years as the baseline in setting the cap on HFC production and consumption, which establishes the size of the allowance pool. There is no indication in the AIM Act that EPA is free to use other years for purposes of an allowance allocation system. To the contrary, if Congress had intended for EPA to use other years for the allowance program, it would have specified the years in the statute itself. In absence of any authority to depart from Congress' choice of years for the phasedown program, EPA must use the years that Congress specified as being relevant to the HFC phasedown.

A. EPA Must Adjust Its Allowance System to Correct for Market Distortion

The experience of Altair, a relatively small importer and distributor in the HFC market, illustrates the stark problem with imports from China that has distorted the U.S. halocarbon markets. As discussed at greater length below in Part III, starting in 2014 or 2015, certain companies with connections to China began undermining market pricing through subsidies, dumping, evasion of duties, stockpiling, and other schemes with the goal of artificially increasing their import volumes in anticipation of a potential HFC allocation program. Objective facts in the record indicate that these importers had access to non-market supply prices that were (and continue to be) unavailable to any other market participants. This situation is evidenced by the fact that these suppliers have been able to sell at prices and on terms that no other market participants could come close to matching. Quite simply, the prices and terms available to this small number of importers was unavailable from any Chinese suppliers to Altair or other importers as far as we are aware. Before rewarding certain importers for unfair business practices, EPA must investigate this obvious pricing distortion by auditing any company that applies for issuance of HFC allowances under the AIM Act allowance allocation system.

---

[3] 86 Fed. Reg. at 27,170 ("EPA is proposing that under this initial framework, the amount of allowances to allocate to producers and importers would be determined based on the levels of production and import in 2017–2019. Specifically, EPA is proposing to use a company's highest year of production or import, on an EVe basis, in those years. Every company's highest year amount would then be added together and used to determine a percentage market share for each company. EPA proposes to then multiply each company's percentage market share with the total amount of available calendar-year allowances to determine each company's production or consumption allowances."). EPA also mentions an alternative of "using each company's highest market share instead of highest production and consumption level," 86 Fed. Reg. 27,171 n.48, but it is not clear how these approaches differ; EPA should provide opportunity to comment on these approaches after appropriate explanation.

As a result of this competitive disadvantage, Altair and other similarly situated companies were forced to buy HFCs from these middlemen importers who now control market pricing. Essentially, Altair was forced to become a downstream buyer of HFCs rather than an importer. As a result of this market distortion, companies with ties to China unfairly increased their imports and market share at the expense of Altair's imports and market share. Thus, the level of imports of HFCs, which EPA has proposed to use as the basis for the AIM Act allowances system, is wildly distorted and not reflective of true market activity, competitive position or market share in absence of non-competitive behaviors.

To adjust for this market distortion, EPA must use a time period prior to this market distortion (*i.e.*, 2011-2013). At the very least, if EPA uses any years after the 2011-2013 period, EPA should issue allowances to Altair and similarly situated importers based on its *purchases* of HFCs during the relevant time period, rather than based on the amount of *imports*. Although the AIM Act defines consumption in terms of imports, Altair would have imported these amounts of HFCs directly had the middlemen importers not unfairly manipulated the market. Additionally, Altair would have had the opportunity to continue to expand and grow its imports and sales business but for these market distortions.

The table provided in our June 18 letter demonstrates the effects of this market distortion in stark terms. Because the advantaged importers were able to underprice the rest of the market, Altair and other U.S. importers were forced to start buying HFCs from those middlemen importers rather than importing directly from China or India as Altair had done throughout its business history from 2011 and even before.[4] As discussed in Section II, starting in 2014 or 2015, Chinese companies began targeting the U.S. HFC market with dumping strategies. By 2016, despite being central in the refrigerant market since 1991, and despite having been stakeholders in both the CFC and HCFC markets prior to engaging in the HFC market, Altair could not obtain HFCs from China at anywhere near the price that certain middlemen importers were able to sell at. As a result, Altair was forced to buy almost as much HFC volume from middlemen as it imported itself. Over the subsequent years 2017-2019, the price distortion grew so bad that the middlemen with access to non-market pricing from Chinese suppliers were able to severely cut into Altair's customer base and U.S. market sales, so we could no longer sell at competitive prices to our longstanding customers even by buying from the middlemen importers. By 2019, the price and supply disruption reached such a crisis level that our business has been reduced to a shadow of our previous import levels. EPA should use the most recent reliable market data – but it cannot ignore market distortion that would plainly reward some companies for non-competitive practices. Before issuing any allowances, EPA should find out how certain companies were able to access dramatically lower pricing from Chinese suppliers that other U.S. competitors were not able to obtain.

---

[4] During this time, India's supply market of HFCs became unavailable due to the market distortion and manipulation caused by the middlemen importers because India manufacturers could not compete with the artificially low Chinese pricing and stopped producing for the export market.

EPA correctly acknowledges that baseline data should reflect actual market function, not distorted by factors such as stockpiling in anticipation of allowance allocations or anti-competitive schemes that could undermine a fair allocation system:

> *EPA sees advantages and disadvantages to this approach. For example, once companies began to suspect that they might receive allowances based on the quantities that they imported, new importers may have entered the market with more HFCs than the level of demand. 2011–2013 is also prior to any anti-dumping and countervailing duties (AD/CVD) were finalized (see the memo to the docket on AD/CVD). To reward such behavior could harm companies that were already participating in the market and/ or have invested heavily in developing new alternatives to replace HFCs. On the other hand, to exclude all newcomers based on the actions of a few could penalize those companies that had not entered the market to game their potential for allowances.*

Proposed Rule, 86 Fed. Reg. at 27,170.[5] Accordingly, although the best approach is to use recent market data for allowance allocations, EPA must adjust that data to correct for market distortions that have either been document or are brought to the agency's attention.

B. The High-Water Approach Works If Applied to Appropriate Years Reflective of Actual Market conditions

That said, the high-water mark system also works well, as each company receives allowances in proportion to its market activity. A similar system was used successfully for the phase-out of R-22 under the HCFC allowance allocation system.[6] In contrast, an averaging system for a small number of years based on import data would be more difficult to implement fairly than a high-water mark approach, particularly for companies that do not have consistent import activities from year to year. For example, a company that imported a greater amount of HFCs in 2016 might have sufficient inventory for 2017 and not need additional imports during that particular year, notwithstanding having a similar volume of sales activity; thus, the lower imports in 2017 would drag the company's three-year average down so as to not accurately reflect the company's market position. At the root of this is the problem that import data does not always accurately reflect the market activity or market share which EPA wishes to reflect in the allowance allocation system.

---

[5] EPA suggests that earlier years might be considered as baseline years because companies would have been aware that the United States may be taking action to phase down HFCs as of October 15, 2016, which is when countries agreed to the Kigali Amendment. 86 Fed. Reg. at 27,170.

[6] EPA, *Protection of Stratospheric Ozone: Allowance System for Controlling HCFC Production, Import and Export; Final Rule*, 68 Fed. Reg. 2820 (Jan. 1, 2003) (allocations based on the highest historical production for each company in the years 1994 through 1997 most accurately reflects the true HCFC market in the United States during that period).

In sum, EPA should use the 2011-2013 time period for allowance allocations, *i.e.*, the period before the market was disrupted by predatory and distortive market behavior by a small number of companies with Chinese affiliations. The 2011-2013 time period also corresponds with the time period that Congress selected for the phasedown baseline. But whatever time period EPA ultimately selects, Altair should receive allowances based on its market share and sales adjusted for the market distortion effects, not merely on raw import data which is no longer reflective of a properly functioning free market. We hope that EPA will reconsider its approach to allowance qualification and implement a fair system.

III. EPA Must Adjust Allowance Allocation for Market Distortion

EPA has proposed to allocate HFC consumption allowances on the basis of imports of HFCs into the United States during a designated period of years and has indicated its preference to use a high-water mark approach across the years 2017-2019.[7] EPA describes its rationale for this approach as using import data as a proxy for market share in the U.S. HFC markets in order to allocate allowances to market participants in proportion to market share. *See, e.g.*, 86 Fed. Reg. at 27,170 ("EPA is proposing that under this initial framework, the amount of allowances to allocate to producers and importers would be determined based on the levels of production and import in 2017-2019 . . . Every company's highest year amount [of production or import] would then be added together and used to ***determine a percentage market share*** for each company. EPA proposes to then multiply each company's percentage market share with the total amount of available calendar-year allowances to determine each company's production or consumption allowances.") (emphasis added).

We are generally supportive of an allowance system that allocates based on market share over a period of years, as Congress was surely aware that EPA had successfully used a similar system for phaseout of HCFCs and CFCs under the Clean Air Act. However, imports of HFCs into the U.S. have been heavily affected by trade distortions, including dumping of HFCs by Chinese companies, circumvention of trade duties, subsidies by the Chinese government and manipulation of markets by certain importers, all of which have artificially increased imports by certain companies. As a consequence, the raw import data that EPA would normally be able to rely on is not an accurate proxy for market conditions, market activity, or market share for all companies.

These trade distortions began as early as 2015 but grew more pronounced over the years and reached a crisis level by the 2018-2019 timeframe. If EPA selects years for its allocation system that were affected by trade distortions, it is incumbent on EPA to adjust the import data for each market participant to reflect the level of imports that would have occurred in absence of the trade distortion. Although it might be inconvenient for EPA to conduct the investigation and auditing needed to correct for these market distortions, the evidence of these practices – as

[7] Proposed Rule, 86 Fed. Reg. at 27,170 ("EPA is proposing that under this initial framework, the amount of allowances to allocate to producers and importers would be determined based on the level of production and import in 2017-2019. Specifically, EPA is proposing to use a company's highest year of production or import, on an EVe basis, in those years.")

established through U.S. government investigations and record evidence before the agency – is so glaring that EPA cannot blind itself to these distortive effects. Only by using recent market data, but adjusting the data to correct for market distortion, can EPA achieve the goals that it identifies in the proposal: (1) to provide a seamless transition; (2) to promote equity and fairness; and (3) to base the system on robust data. 86 Fed. Reg. at 27,169. To ignore the market distortions brought to EPA's attention by various stakeholders would be inconsistent with EPA's obligations under administrative law to act rationally, consider all factors, and explain its reasoning.

A. EPA Should Adjust Import Data In Light of Market Manipulation

EPA has recognized the existence of market distortions and proposed to take these into consideration, although it does not specify in the proposed rule how it will adjust for the distortion. As EPA states in the proposed rule preamble:

> *EPA is proposing that any entity that is subject to a DoC Final Determination and is requesting allowances for 2022 or 2023 must provide documentation of payment of the AD/CVD for HFC imported in 2017 through the date of this proposed rule, or provide evidence that those imports were not required to pay AD/CVD for those years. EPA is proposing not to allocate to companies in 2022 or 2023 that CBP determines are not in compliance with or are otherwise in arrears with their AD/CVD during those years. After an entity is issued allowances, if it is subject to a DoC Final Determination and does not pay the required AD/CVD within the required time frame, as determined by CBP, EPA proposes that the company may have its allowances for that year revoked or retired, or may not be issued future allowances or may receive a reduced allocation. EPA proposes that it could, after consulting with CBP, also ban a company from receiving allowances in the future as a result of noncompliance with the regulations governing payment of AD/CVD. EPA is also proposing that the Agency would have the discretion to revoke, retire, or withhold allowances for companies that fail to use the correct Harmonized Tariff Schedule (HTS) codes with each shipment of HFCs or HFC blends. Intentionally misdeclaring the HFC or HFC blend in a shipment is one way importers may attempt to illegally import HFCs without allowances or with fewer allowances.*

86 Fed. Reg. at 27,186. Although EPA's proposal to link allowance allocation to payment of trade duties on a company-by-company basis is on the right track, in order to correct for trade distortion EPA must better understand how certain companies have skirted, gamed and circumvented trade laws and taken advantage of the limitations of the trade laws to artificially increase imports that EPA is using as the basis for consumption allowance allocations.

The history of market distortion in the U.S. HFC market is extensive and well-documented and has manifested in various schemes that have distorted the market by artificially increasing imports for some market participants, which would reward wrongdoing if allowances are allocated based on import data without adjustment for market distorting behaviors and unfair advantages.

These various schemes that artificially increased imports by some companies, at the expense of others, are described below.

B. Dumping and Countervailing Subsidies

It is well documented and incontrovertible that certain importers and their affiliates (which in some cases are owned or controlled by large Chinese chemical companies) unfairly and illegally increased their imports through a variety of schemes, including dumping in contravention of U.S. trade laws, circumvention of trade duties, and sharp business practices, all of which enabled those companies to sell HFCs in the U.S. market at artificially low prices and increase their own imports while strangling imports of other market participants.

The U.S. government has found that beginning in about 2015 and accelerating throughout the 2018-2019 period, Chinese exporters and certain affiliated importers took advantage of trade policies in China that encouraged and rewarded dumping of HFCs into the U.S. market in order to undermine free market pricing and build Chinese export market share in advance of an anticipated phasedown of HFCs in the United States.[8] This serious dumping activity involving a range of HFC chemicals has been documented in official findings of the U.S. Department of Commerce ("Commerce") and the U.S. International Trade Commission ("ITC"). These findings include unfair dumping of HFC blends (specifically, R-404A, R-407A, R-407C, R-410A, and R-507A),[9] as well as dumping of HFC chemical components R-134a,[10] R-32,[11] and R-125.[12] Each of these chemicals have significant global warming potential, ranging from 675 to 3500. The degree of dumping is and continues to be so severe that the U.S. government imposed antidumping duties as high as 285% to counteract the market distorting effect of this anti-competitive market behavior.[13]

Another way that certain importers have gained an unfair market advantage is receiving government subsidies from the government of China. For example, the Commerce Department found after an extensive investigation that Chinese chemical companies such as Zhejiang Juhua Co., Ltd. ("Juhua") received Chinese government subsidies which allowed them to sell HFC-125

---

[8] EPA has acknowledged in its rulemaking proposal the concern that "[t]o reward such behavior could harm companies that were already participating in the market." Proposed Rule, 86 Fed. Reg. at 27,170.

[9] *Hydrofluorocarbon Blends from the People's Republic of China: Antidumping Duty Order*, 81 Fed. Reg. 55,436 (Aug. 19, 2016).

[10] *See 1,1,1,2 Tetrafluoroethane (R-134a) From the People's Republic of China: Final Determination of Sales at Less Than Fair Value and Affirmative Determination of Critical Circumstances, in Part*, 82 Fed. Reg. 12,192) (March 1, 2017) (Barcode # 3547518-01).

[11] *See Difluoromethane (R-32) From the People's Republic of China: Antidumping Duty Order*, 86 Fed. Reg. 13,886 (March 11, 2021) (Barcode # 4097862-01).

[12] *See Pentafluoroethane (R-125) from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Duty Determination* (June 14, 2021) (C-570-138) (Barcode # 4132385-01) ("R-125 Preliminary CVD Determination").

[13] *Hydrofluorocarbon Blends From the People's Republic of China: Final Results of the Antidumping Duty Administrative Review and Final Determination of No Shipments; 2016*—2017, 84 Fed. Reg. 17,380, 17,381 (Apr. 25, 2019) (Barcode # 3825161-01).

at below market prices, thus injuring the U.S. economy.[14] Juhua is the parent company of a prominent HFC importer that presumably will claim allowances under the proposed HFC allocation system.[15] This particular importer recently disclosed that it increased its market share of the U.S. HFC market from zero to 50% in only a few years, a distortive shift which is implausible without unfair advantage.[16] Other importers have been found to have received subsidies warranting 291% additional duties to counteract the illegal foreign government support.[17] These importers will likely claim a share of allowance allocation on the basis of their artificially increased market shares.

Notwithstanding that Commerce has taken action on a number of illegal dumping and subsidy schemes, it is not sufficient for EPA to only consider trade distortion schemes that were actually discovered and addressed by the Department of Commerce because the trade remedies available have been inadequate to restore balance to the U.S. HFC market. In the rulemaking proposal, EPA is proposing to only take cognizance of schemes that resulted in "payment of the AD/CVD of HFC imported in 2017 through the date of this proposed rule" and where the party failed to pay the amount owed. 86 Fed. Reg. at 27,186 (allowances withheld if company is "not in compliance with or are otherwise in arrears with their AD/CVD during those years"). EPA's approach would be insufficient for several reasons. First, government investigations and findings of antidumping or countervailing subsidies are by nature after-the-fact proceedings, which result only after the distortive behavior occurs. An investigation typically begins when an injured U.S. stakeholder petitions for a proceeding. Usually duties are only imposed prospectively on the cheaters after the Commerce Department initiates an investigation, and there is no standard retroactive remedy or correction for the effects on the market of anti-competitive behavior that occurred prior to the preliminary determination.[18] Second, many cheating schemes go undetected,

---

[14] *See* R-125 Preliminary CVD Determination at 4; *see also Decision Memorandum for the Preliminary Determination of the Countervailing Duty Investigation of Pentafluoroethane (R–125) From the People's Republic of China*, dated June 11, 2021 ("R-125 PDM").

[15] See R-125 Preliminary CVD Determination at 5 n.10 ("Commerce has found the following companies to be cross-owned with [Zhejiang Quzhou Juxin Fluorine Chemical Co., Ltd. ("Juxin"), a mandatory respondent in the investigation]; Juhua Group Corporation; Zhejiang Juhua Co., Ltd.; Ningbo Juhua Chemical & Science Co., Ltd.; Zhejiang Quzhou Fluoxin Chemicals Co., Ltd.; and Zhejiang Juhua Chemical Mining Co., Ltd."); Zhejiang Juhua Co., Ltd. 2018 Annual Report (disclosing joint venture ownership of iGas USA Inc.) (Attachment A).

[16] *See* iGas USA, Inc., *Notice of Data Availability Relevant to the United States Hydrofluorocarbon Baselines and Mandatory Allocations* (Feb. 25, 2021) (EPA-HQ-OAR-2021-0044-0029) ("iGas NODA Letter").

[17] Preliminary R-125 CVD Determination at 5.

[18] *See, e.g.*, 19 C.F.R. § 351.205(d) (Commerce will require posting of cash deposits only after affirmative preliminary determination months after initiation of an antidumping investigation). Thus, EPA's memorandum of antidumping and circumvention proceedings in the docket is helpful but is in some respects inaccurate or seems to misunderstand the available trade remedies and severity of the market distortion that can be caused by cheating schemes. For example, EPA's statement that "CBP will collect duties retroactively" is misinformed because Commerce will only impose retroactive duties for a brief period of 90 days prior to an affirmative finding in the unusual situation of finding critical circumstances under its regulations. See EPA, *Summary of Antidumping and Countervailing Subsidy Duties Concerning Hydrofluorocarbon (HFC) Imports to the United States* (Apr. 2021) (EPA-

even if they involve avoidance or circumvention of tariffs or duties. Third, neither the Commerce Department nor apparently any other agency is screening HFC imports for schemes that involve anti-competitive pricing. In other words, Commerce only investigates imports that fall within the traditional pigeon-hole of antidumping or countervailing subsidy investigations, not those involving unfair business practices, collusion or intellectual property theft. In the HFC markets, the Commerce Department has looked at sales by exporters generally but has never investigated how certain importers were able to access unrealistically low HFC pricing in the 2017-2019 timeframe, *i.e.*, pricing that anecdotally undercut the HFC market and which most other U.S. importers could not access (or even dream of). As discussed, this pricing disparity enabled certain companies to dramatically manipulate pre-existing import levels and market shares. Yet this effect on the HFC market apparently has never been investigated by the Commerce Department, Customs and Border Patrol, or EPA. Ignoring illegal trading schemes because they have gone unpunished would be like giving a refund to tax dodgers who cheated on their taxes but were never audited or didn't get caught during the 3-year statute of limitations.

C. Circumvention Schemes

Although the U.S. government has attempted to staunch the flood of illegal imports of HFCs into the U.S., certain importers devised various circumvention schemes to dodge import duties. Such circumvention ploys have included importing pirated versions of patented HFC blends,[19] imports of intentionally off-specification chemicals,[20] imports of HFCs processed or transshipped through other countries,[21] and imports of HFC components used to blend covered HFC blends, all of which were found by the government to be schemes to avoid paying duties on Chinese imports.[22] In each of these circumvention cheating cases, specific companies were

---

HQ-OAR-2021-0044-0046) at 4 (citing 19 C.F.R. 351.206). In reality, Commerce rarely finds critical circumstances and in all cases any HFC imports before that brief 90-day period get away scot-free.

[19] *See Hydrofluorocarbon Blends From the People's Republic of China: Final Scope Ruling on Unpatented R-421A; Affirmative Final Determination of Circumvention of the Antidumping Duty Order for Unpatented R-421A*, 85 Fed. Reg. 34,416 (June 4, 2020). In this particularly brazen cheating scheme, the Commerce Department investigation found that certain importers imported over a million pounds of an unpatented version of the HFC product R-421A and secretly used that product to blend other HFC blend products that were covered by a 285% import duty. The Commerce Department found that this behavior constituted circumvention of the HFC Blends antidumping duties. By illegally avoiding these duties, these companies gained an immediate unfair economic advantage in the HFC market that facilitated their sales at lower prices than any other company could match, thus allowing those companies to unfairly build market share. This scheme increased their imports of HFCs, as reflected in customs records and EPA's greenhouse gas reporting system, while lowering imports by other law-abiding importers.

[20] *See Hydrofluorocarbon Blends from the People's Republic of China: Affirmative Final Determination of Circumvention of the Antidumping Duty Order; Unfinished R-32/R-125 Blends*, 85 Fed. Reg. 15,428 (Mar. 18, 2020) (Barcode # 3955044-01).

[21] *See Hydrofluorocarbon Blends from the People's Republic of China: Final Negative Scope Ruling on Gujarat Fluorochemicals Ltd.'s R-410A Blend; Affirmative Final Determination of Circumvention of the Antidumping Duty Order by Indian Blends Containing Chinese Components*, 85 Fed. Reg. 61,930 (Oct. 1, 2020) (Barcode # 4035170-01).

[22] *See Hydrofluorocarbon Blends from the People's Republic of China: Affirmative Preliminary Determination of Circumvention of the Antidumping Duty Order for HFC Components; and Extension of Time Limit*

identified that engaged in prohibited behavior to avoid duties and thereby gained market advantage over importers that abided by U.S. trade laws. However, like the antidumping and subsidy cases, no retroactive correction of the market distortion was taken by the government. However, EPA can easily identify these importers from Commerce Department investigative files and can request information from these importers that will show how these companies artificially increased their HFC imports by undercutting pricing in the U.S. market.

D. Other Market Manipulation Schemes

In addition to trade violations, certain importers have also used other stratagems to artificially snatch market share away from incumbent market participants. For example, in a federal lawsuit filed in Florida, a major Chinese supplier of HFCs has alleged that certain importers ran up over $70 million in unpaid accounts payable debt for imports of HFCs during the 2017-2018 timeframe.[23] By importing HFCs but bilking suppliers out of payments, importers can artificially lower their cost of doing business and afford to sell more refrigerant at below-market prices, thus leading to more market share and more imports, in an unending vicious circle of unfair market advantage. In such a situation, even if an importer is sued and eventually has to repay the debt, the importer has already achieved its anti-competitive goal of importing cheap HFCs (because they didn't have to pay for the product), undercutting market pricing, and grabbing market share. If the allegations in the T.T. International lawsuit are true, the importers named in that suit essentially got a free (non-consensual) $70 million subsidy by Chinese exporters that no other U.S. importers had access to. As a result, these importers were able to artificially inflate their imports. EPA cannot in good conscience reward such behavior by using those distorted import volumes as a basis to allocate valuable HFC allowances.

E. Unexplained Capture of Market Share

Certain companies in the U.S. market dramatically increased their market share of HFC imports since 2016, which raises red flags that EPA should not ignore. Not coincidentally, many of the companies that disproportionately increased market share are the same companies that were identified by the Commerce Department as benefiting from unfair trade practices. For example, in a recent letter to EPA, one group of companies boasted that "through an intense commitment to customer service, new and innovative equipment, and lean operations . . . now supplies over 50%

---

for Final Determination, 85 Fed. Reg. 20,248 (Apr. 10, 2020) (Barcode # 3963390-01); *Anti-Circumvention Inquiry of Antidumping Duty Order on Hydrofluorocarbon Blends from the People's Republic of China-HFC Components: Final Determination Not to Include Within the Scope of the Order*, 85 Fed. Reg. 51,018 (Aug. 19, 2020) (Barcode # 4017378-01). Although in this proceeding the Commerce Department ultimately did not include HFC components in the HFC Blends antidumping order because of an objection by the ITC relating to the ability of the U.S. government to remedy the illegal behavior, the Commerce Department's factual finding that certain companies circumvented the antidumping duties still stands. The ITC's objection is on appeal to the Court of International Trade, which remains pending. *The American HFC Coalition, and its Members et al v. United States* (1:20-cv-00178-LMG).

[23] Complaint, *T.T. International Co. Inc. v. BMP International Inc. et al.*, No. 8:19-cv-02044 (M.D. Fla., filed Aug. 16, 2019) ¶ 59 ("Defendants failed to pay T.T. in excess of $70 million that remains outstanding for refrigerants and related products" in the 2017 to 2018 timeframe") (Attachment B).

of the aftermarket refrigerants in the United States and a significant percentage of refrigerant sales to original equipment manufacturers."[24]

The U.S. market for HFCs is very much a commodity market that is driven primarily by marginal price differentials. It is implausible that any company could enter the market and in only a few years capture 50% market share without having some economic advantage that is unavailable to the market generally. Incidental factors such as customer service and lean operations cannot explain this distortion of the market. Similarly, the equipment used in the HFC market is well understood and generally available to any market participant. The companies that boasted about capturing market share have not disclosed the nature of such supposed innovative equipment that could explain such an economic advantage. Notably, these companies were targets of two of the circumvention schemes investigated by the government.

Before awarding valuable allowances to companies that have increased market share in a manner that is inconsistent with market trends and economically implausible without the help of unfair market advantages, EPA must undertake an economic evaluation to determine if such a startling jump in market share can be explained, substantiated and justified. In short, sometimes what seems too good to be true is not true.

F. EPA Must Adjust for Market Distortion in Any Allowance System

Although the U.S. government has tried to respond to these widespread anti-competitive schemes by imposing antidumping duties prospectively, the nature of our trade laws unfortunately does not remedy retroactive damage to competitors that distorts import levels and market share. In the antidumping and circumvention cases, the damage has already been done in the critical sense that importers who took advantage of dumping or dodged duties through circumvention were able to import HFCs at discounted cost, then sold those HFCs into the U.S. market at discount prices. Through these schemes, those importers increased their own market share while undermining the market share of other market participants. Indeed, in many instances, the economics of the market forced legitimate companies that would normally import directly from China from above-board suppliers to become downstream buyers of HFCs from the companies identified by the government as having gained an unfair economic advantage from dumping, subsidies or circumvention. In short, while certain companies increased their imports through questionable means, other companies unfairly suffered a decrease of imports.

Overall, the activities documented by the Commerce Department had the effect of distorting import data such that, without proper adjustment, import data cannot be used as a reliable proxy for market share. EPA simply cannot use the unadjusted import data for purposes of allocating allowances without unjustly rewarding certain companies that engaged in unfair trade practices or received subsidies from the Chinese government. Put simply, if the EPA were to allocate HFC allowances on raw import data, without adjusting for this documented and obvious

[24] iGas NODA Letter at 1. The letter states that it is "submitted on behalf of iGas USA Inc. ("iGas") and its affiliated companies BMP USA Inc., BMP International Inc., LM Supply Inc., and Cool Master USA, Inc."

market distortion, it would be rewarding Chinese-affiliated exporters and importers or companies who have access to special pricing or subsidies from Chinese connections or that engaged in unfair business practices. EPA may not have authority to enforce trade laws or police business practices, but it does not have to reward market manipulators with valuable allowances.

IV. EPA Should Set the HFC Allowance Transfer Fee No Higher Than 1%

The AIM Act requires EPA to provide for the transfer of HFC allowances between companies based on exchange value.[25] The only limitation on transfers specified by Congress is that the transfer result in greater HFC reductions than would otherwise occur.[26] Otherwise, the AIM Act does not specify how EPA must implement this requirement. The AIM Act provisions are patterned after almost identical language in section 607 of the Clean Air Act, which requires greater total reductions in the production in each year of class I and class II substances than would occur in that year in the absence of such transactions.[27]

EPA has proposed a 5% allowance transfer fee as the mechanism to achieve greater HFC reductions than would otherwise occur.[28] EPA describes this fee in the AIM Act proposal as an offset (as it was called in the HCFC phaseout) but it is really a transfer fee or environmental penalty. The proposed 5% fee is excessive and seems to have been chosen arbitrarily. Its genesis

---

[25] AIM Act, 42 U.S.C. § 7675(g) ("(1) Transfers. Not later than 270 days after the date of enactment of this Act, which shall include a period of notice and opportunity for public comment, the Administrator shall promulgate a final regulation that governs the transfer of allowances for the production of regulated substances under subsection (e)(3)(A) that uses—(A) the applicable exchange values described in the table contained in subsection (c)(1); or (B) the exchange value described in the rule designating the substance as a regulated substance under subsection (c)(3).").

[26] AIM Act, 42 U.S.C. § 7675(g) ("(2) Requirements. The final rule promulgated pursuant to paragraph (1) shall— (A) ensure that the transfers under this subsection will result in greater total reductions in the production of regulated substances in each year than would occur during the year in the absence of the transfers; (B) permit 2 or more persons to transfer production allowances if the transferor of the allowances will be subject, under the final rule, to an enforceable and quantifiable reduction in annual production that—(i) exceeds the reduction otherwise applicable to the transferor under this section; (ii) exceeds the quantity of production represented by the production allowances transferred to the transferee; and (iii) would not have occurred in the absence of the transaction; (C) provide for the trading of consumption allowances in the same manner as is applicable under this subsection to the trading of production allowances.").

[27] 42 U.S.C. § 7671f ("Exchange authority. (a) Transfers. The Administrator shall . . . promulgate rules under this subchapter providing for the issuance of allowances for the production of class I and II substances in accordance with the requirements of this subchapter and governing the transfer of such allowances. Such rules shall insure that the transactions under the authority of this section will result in greater total reductions in the production in each year of class I and class II substances than would occur in that year in the absence of such transactions."); *see also* 68 Fed. Reg. at 2,822 ("Section 607 of the Act requires EPA to permit the transfer of any class II allowances on an ODP-weighted basis with an offset. The transfer plus the offset must result in greater total reduction in production in that year than would otherwise occur, to provide an environmental benefit.").

[28] 86 Fed. Reg. at 27,175 ("EPA is proposing to allow transfers of allowances for HFCs provided the transferor's remaining allowances are reduced by the amount it transferred plus some percentage of the amount transferred (i.e., an offset). EPA is proposing that the offset be five percent, and is taking comment on a range from one percent to 10 percent. A five percent offset would meet the AIM Act statutory directive and provide a net environmental benefit without discouraging trading necessary to meet market demands.").

is not explained in the proposal rule. In contrast, for the HCFC phaseout, EPA required only a 0.1% transfer fee,[29] which it determined was adequate to "provide the environmental benefit called for in the CAA."[30] EPA states that the AIM Act transfer provisions are intended to be "based in large part on the ODS transfer provisions," 86 Fed. Reg. at 21,175, yet EPA's proposed 5% transfer fee for the AIM Act is 50 times the amount used successfully in the HCFC phaseout.

As EPA acknowledges in the proposed rule preamble, even a 1% transfer fee would result in a greater total reduction, which is all the AIM Act requires. 86 Fed. Reg. at 27.176 ("all the percentages would result in a greater total reduction"). EPA also acknowledges that a lower transfer fee would better implement the statute's intent of providing flexibility through transfers while doing so in a manner that further reduces overall production and consumption, which would result in greater environmental protection. 86 Fed. Reg. at 27,176.

EPA states in the preamble that it wishes "to maximize the protection of the environment," 86 Fed. Reg. at 27,176, but a 5% fee goes beyond the statute's mandate with respect to a transfer fee or offset. Although EPA correctly notes that an increase in the cost of HFCs could foster faster transition to alternatives and additional environmental benefits by increasing the cost of virgin material, 86 Fed. Reg. at 27,203-04, the effect on demand for reclaimed products from a 5% transfer fee compared to 1% transfer fee is highly uncertain and likely will not be significant compared to the problems that would be created if EPA undermines the efficient transferability of allowances by imposing an arbitrarily heavy fee.

Finally, If EPA issues allowances at the parent company level, the transfer fee or offset should not be required for transfers between corporate affiliates.[31] Inter-affiliate transfers are materially different from market-based transfers because EPA is proposing to allocate allowances to the top level of a corporate group which the affiliated companies must then distributed as among themselves for purposes of capital spending, operations and tax considerations.

V. EPA Should Not Ban Disposable Cylinders

EPA is proposing to ban DOT-39 disposable cylinders, and perhaps all compressed gas cylinders, in less than two years.[32] This is an unworkable, unnecessarily burdensome, and wasteful

---

[29] See, e.g., 40 C.F.R. § 82.23(a)(2)(A)(Transfers of allowances of class II controlled substances. . . In the case of transfers of production or consumption allowances, EPA will reduce the transferor's balance of unexpended allowances by the quantity to be transferred plus 0.1 percent of that quantity.).

[30] EPA, *Protection of Stratospheric Ozone: Allowance System for Controlling HCFC Production, Import and Export; Final Rule*, 68 Fed. Reg. 2820, 2834 (Jan. 21, 2003).

[31] 86 Fed. Reg. at 27,169 ("EPA is also proposing to issue allowances at the parent company level").

[32] Proposed 40 C.F.R. § 84.6 reads: "(i) Disposable cylinders. (1) Effective July 1, 2023, no person may import or place a regulated substance in a nonrefillable cylinder. (2) Effective January 1, 2025, no person may sell or offer for sale regulated substances contained in a non-refillable cylinder." 86 Fed. Reg. at 27,210.

proposal. In addition, EPA does not appear to have any authority to ban cylinders under the AIM Act or other statutory authority.

There are multiple problems with banning refillable cylinders, including increased HFC emissions and increased ozone precursor pollution which would adversely affect disadvantaged communities and vulnerable populations. Not least, a ban on existing cylinders starting in 2025 would require suppliers to unnecessarily transfer HFC gases from existing cylinders to new cylinders, then throw away the perfectly serviceable old cylinders. The transfer process itself would result in emissions of HFCs, which EPA has not studied or quantified. Moreover, EPA's apparent assumption that inventory would be sold over 18 months is unsupported by any data; in reality, in some cases inventory can be maintained for years, depending on market conditions. 86 Fed. Reg. at 27,188 (stating that 18 months "should be sufficient to allow for exiting inventory of regulated substances contained in disposable cylinders to be sold or transferred to refillable cylinders"). In addition, the increased cost of inventory tracking, additional effort involved in lugging heavy refillable cylinders around, and added cost of cylinders are simply not outweighed by any benefits. Neither does EPA's statement that disposable cylinders facilitate "HFCs entering . . . markets illegally," 86 Fed. Reg. at 27,187, support the need to ban cylinders entirely – the vast majority of HFCs are imported using disposable cylinders perfectly legally, and smuggling can occur as easily with any type of cylinder.

The California Air Resources Board previously studied this issue and identified many costs and implementation challenges:

> ***Banning of Non-refillable Refrigerant Cylinders***
> *Alternatives staff reviewed specific to refrigerant cylinder are similar to concepts proposed, but not enacted, in U.S. EPA regulations. U.S. EPA regulations do not prohibit the use of non-refillable refrigerant cylinders, although this regulatory concept has been reviewed in the context of the management of 30-pound nonrefillable refrigerant cylinders. Options the U.S. EPA had considered included: 1) a complete ban of non-refillable containers, 2) evacuation of cylinders, using industry guidelines, prior to disposal, and 3) a ban on importation of Class 1 ODS refrigerants in non-refillable cylinders. The banning of non-refillable cylinders could result in a GHG emission reduction benefit from refrigerant cylinders, although criteria pollutant emissions including diesel particulates from transportation may increase. Additionally, there may be other business impacts such as additional personnel injuries resulting from the use of heavier cylinders. The banning of non-refillable cylinders would require substantial changes in the refrigerant distribution industry, and additional costs. Placing restrictions on the sale of non-refillable cylinders would require capital expenditures for the manufacture of refillable cylinders to replace currently used non-refillable cylinders . . . If non-refillable cylinders are banned, then these nonrefillable cylinders must be replaced with refillable cylinders, which will increase manufacturing costs. These one-time replacement manufacturing costs would be recovered over time as non-refillable cylinders are manufactured each year while refillable cylinders are not required to be manufactured each year. The proposed*

> *option would also require infrastructure development for refilling refrigerant cylinders. There is no existing data available specific to the cost of infrastructure development for cylinder refilling. In the alternative scenario of a non-refillable cylinder ban there are other cost issues that may be a barrier. The tare weight of a 30-pound refillable cylinder may be 300 percent or greater than the tare weight of a non-refillable cylinder. Based on manufacturer data a non-refillable cylinder's tare weight would be around 6 pounds, while a refillable cylinder's tare weight may be as high as 21 pounds.24 As the servicing locations for R/AC appliances are often up stairs or on rooftops, increased weight may increase workers' injuries or create the need for a lighter refillable cylinder, which would increase the number of times a technician may need to carry a cylinder to a servicing location. These costs are not quantified due to a lack of data, but may be extensive. The requirement for refrigerant cylinders to be returned to a refrigerant distributor for refilling may result in additional vehicle miles traveled (VMT) . . . Additionally, as refillable cylinders are heavier, the total tons per mile for local service vehicles would increase, which would increase total transportation related cost and emissions.*[33]

It does not appear that EPA has adequately identified, studied or quantified the cost-benefit profile of this proposal. EPA's screening analysis does not fully capture the logistical systems that will need to be set up to handle the transport, refilling, safety checks and tracking of refillable cylinders.[34] The analysis does not appear to consider the logistical needs and flow of cylinders from sellers to wholesalers to contractors, and back again. Nor does the analysis quantify the cost of cylinder evacuation and refilling equipment and facilities. Not least, there is no quantified benefit associated with the proposal.

If EPA proceeds with a cylinder ban, it should at least provide a reasonable transition period of three or more years. In addition, EPA should grandfather existing cylinders that can be documented as having been imported prior to the ban as it would be needlessly wasteful and expensive to transfer the contents of those cylinders and prematurely throw away the original cylinder.

VI. EPA Should Allocate a Portion of Allowances Based on Historic HCFC Market Share

Congress specified that the baseline for the AIM Act phasedown of HFCs should reflect the historic market of halocarbon products, reflecting 85% of the HFC market in 2011-2013 and smaller percentages of the 1989 HCFC market (15%) and CFC market (0.42%). This approach reflects Congress' intent that companies who have been deprived of their historic markets be

---

[33] California Air Resources Board, *Initial Statement for Reasons for Proposed Regulation for the Management of High Global Warming Potential Refrigerants for Stationary Sources* at 73-74 (2009) (https://ww2.arb.ca.gov/sites/default/files/classic/regact/2009/gwprmp09/isorref.pdf).

[34] EPA, *Economic Impact Screening Analysis for Proposed Allowance System for an HFC Production and Consumption Phasedown* (Apr. 2021) (EPA-HQ-OAR-2021-0044-0046).

compensated for the loss of those markets. Congress also provided a table of "*exchange values* for hydrochlorofluorocarbons and chlorofluorocarbons," which implies that allowances based on HCFC and CFC quota would be part of the exchange (*i.e.*, transfer) system for regulated substances. 42 U.S.C. § 7675(e)(1)(D). Congress' reference to HFCs, HCFCs and CFCs cannot be otherwise explained other than that some allowances should be allocated on the basis of historic HCFC and CFC market share. EPA seems to have overlooked this important topic in the proposed rule. Despite various stakeholders having raised the issue with EPA staff, the issue is not discussed at all in the proposal.

It is a simple matter to determine which companies had HCFC and CFC baseline allowances, as that list of companies is reflected in EPA's regulations at 40 C.F.R. Part 82. Because EPA has calculated the consumption baseline as 299 million tons of EVe, it would make sense to allocate the portion of the baseline which is based on historical HCFC and CFC consumption and production to historical HCFC and CFC allowance holders based on their individual market share of HCFC and CFC consumption allowances.

* * *

In sum, the Altair Partners supports EPA's approach to establishing an allowance allocation system for phasedown of HFCs, provided that the system takes into consideration the important issues discussed above. If you have any questions, please contact me at (973) 564-6400 or bob@altairpartnerslp.com.

Respectfully submitted,

Robert Kamins
Member & Partner

Attachments

cc: Christopher Grundler, Director, Office of Atmospheric Programs
Cynthia Newberg, Director, Stratospheric Protection Division

Attachment A

(Zhejiang Juhua Co., Ltd. 2018 Annual Report)

Imports LLC and EDX, are importing on behalf of iGas.[9] Both TTI and Lianzhou were respondents in the original antidumping duty investigation and continue to export HFC components to iGas, BMP, or their affiliates.[10] In addition, Juhua (aka "Quhua") is a Chinese producer and supplier of TTI[11] as well as an affiliate of iGas, as evidenced by Juhua's 2018 annual report.[12]

Based on the evidence of the conduct by these specific companies, Commerce can either make a company-specific finding of circumvention or establish a broader country-wide finding to prevent circumvention in the future.

Second, Commerce should establish a period of investigation ending May 31, 2019. This anti-circumvention proceeding was initiated June 18, 2019. As shown by the statistics included in the *Circumvention Allegation*, imports of HFC blends into Tampa (iGas's address) were surging through the end of 2018. In 2019, Census statistics indicate that these imports continue

[9] **Exhibit 1** (indicating Golden G Imports LLC and EDX are importing HFC components destined for iGas, as shown by [ ]).

[10] *See Circumvention Allegation* at Exhibit 2.

[11] *See 1,1,1,2 Tetrafluoroethane (R-134a) from … China: Antidumping Duty Order*, 82 Fed. Reg. 18,422 (Apr. 19, 2017).

[12] *See* **Exhibit 2** (demonstrating Juhua recently made substantial investments in iGas) (excerpts translated).

Exhibit 2

公司代码：600160　　公司简称：巨化股份

Zhejiang Juhua Co. Ltd 2018 Annual Report

浙江巨化股份有限公司
2018 年年度报告

浙江巨化股份有限公司董事会

□适用 √不适用

5 环保与安全情况

(1). 公司报告期内重大安全生产事故基本情况

□适用 √不适用

(2). 报告期内公司环保投入基本情况

√适用 □不适用

单位：万元 币种：人民币

环保投入资金	投入资金占营业收入比重（%）
1,940	0.12

报告期内发生重大环保违规事件基本情况

□适用 √不适用

(3). 其他情况说明

□适用 √不适用

(五) 投资状况分析 Investment Status Analysis

1、 对外股权投资总体分析 Overall analysis of external equity investment

√适用 □不适用

报告期对外股权投资总额 141991.37 万元与上年同比增加 8443.92 万元，上升 6.32%，主要原因为 2018 年度出资 37000 万元增资浙江晋巨化工有限公司、38000 万元增资浙江衢州巨塑化工有限公司、25284.88 万元收购浙江巨化技术中心有限公司、18411.20 万元收购巨化集团财务有限责任公司 16%股权所致。

Company Invested in | Main Business | Unit: 10,000 Yuan | Investment Amount

单位：万元

被投资的公司名称	主要业务	投资方式	投资额
上海爱新液化气体有限公司	批发危险化学品等	增资入股	433.92
浙江衢州巨塑化工有限公司	聚偏二氯乙烯树脂、聚偏二氯乙烯乳液生产、销售	增资	38000
浙江衢州联州致冷剂有限公司	混配及单质致冷剂充装等	增资	6000
iGas USA Inc.	生产、采购、混配、储存、运输和销售致冷剂及相关产品等	新设	1000（美元）
浙江晋巨化工有限公司	甲醇、液氨等生产和销售等	增资	37000
天津百瑞高分子材料有限公司	塑料薄膜制品、机械设备制造、加工、销售等	收购	3046
巨化集团财务有限责任	银监会批准业务	收购	18411.2

Dollar

Production, procurement, compounding, storage, transportation and sale of refrigerants and related products

(六) 重大资产和股权出售

√适用 □不适用

经公司董事会七届十次会议、公司2018年第一次临时股东大会审议批准，公司将全资子公司浙江凯圣氟化学有限公司100%股权和浙江博瑞电子科技有限公司100%股权共同作为一个标的进行公开挂牌转让。详见公司临2017－53号《巨化股份转让全资子公司股权及变更部分募集资金投资项目公告》、临2018-02号《巨化股份2018 年第一次临时股东大会决议公告》及临2018－08号《巨化股份转让全资子公司股权进展公告》。

(七) 主要控股参股公司分析

√适用 □不适用

Name of Subsidiaries and Associated Companies

子公司及联营公司全称	业务性质	经营范围	注册资本（万元）	总资产（万元）	净资产（万元）	净利润（万元）
浙江衢化氟化学有限公司	工业制造	氟化工原料及氟致冷剂生产、销售	22,359.22	197,691.08	166,679.27	60,659.54
浙江衢州巨新氟化工有限公司	工业制造	氟致冷剂生产、销售	113,014.10	170,750.75	151,122.08	31,194.45
浙江衢州氟新化工有限公司	工业制造	氢氟酸生产、销售	2,000.00	37,990.80	16,334.50	5,724.32
浙江衢州巨塑化工有限公司	工业制造	三氯乙烯、PVDC等生产、销售	73,000.00	90,601.19	71,118.48	10,073.51
大津百瑞高分子材料有限公司	工业制造	塑料薄膜制品生产、销售	1,036.83	2,049.11	1,652.12	-35.49
宁波巨化化工科技有限公司	工业制造	氟化工原料生产、销售	26,231.67	121,780.49	105,356.78	41,019.09
宁波巨化新材料有限公司	工业制造	化工原料及产品生产销售	5,000.00	8,012.62	3,374.36	-237.48
宁波巨榭能源有限公司	商品贸易	化工原料及产品销售	5,000.00	28,063.64	11,173.32	859.59
衢州巨化锦纶有限责任公司	工业制造	己内酰胺、环己酮等生产、销售	102,067.00	94,316.64	80,339.95	10,848.15
浙江巨圣氟化学有限公司	工业制造	氟产品生产、销售	USD1,200	31,394.15	22,555.73	7,850.35
浙江衢州鑫巨氟材料有限公司	工业制造	超高分子量聚四氟乙烯生产、销售	3,000.00	1,792.82	1,404.72	-0.48
浙江博瑞电子科技有限公司	工业制造	电子特气产品等生产、销售	72,600.00	0.00	0.00	-979.50
浙江凯圣氟化学有限公司	工业制造	电子湿化学品生产、销售	15,000.00	0.00	0.00	-1,179.37
浙江凯恒电子材	工业	电子级氢氟酸生	1,200.00	0.00	0.00	-45.44

工科技有限公司	制造	售				
浙江硅谷巨赋投资管理有限公司	投资	投资管理，投资咨询（除证券、期货），股权投资及相关咨询服务。	600.00	439.68	388.82	-49.76
衢州巨化华辰物流有限公司	仓储	货物仓储	2,000.00	104.08	-1,479.55	-0.02
浙江巨化股份有限公司兰溪农药厂	工业制造	农药产品生产	2,688.00	9.40	-9,368.56	-0.14
中巨芯科技有限公司	工业制造	电子化学材料、化工产品等生产销售	100,000.00	111,034.18	100,733.58	-789.91
上海爱新液化气体有限公司	商品贸易	危险化学品、化工产品批发，货物及技术进出口	428.00	8,782.39	1,852.68	1,048.65
iGas USAInc	商品贸易	化工原料及产品销售	USD2941.17	41,661.58	19,574.19	-595.87

注：公司所持浙江博瑞电子科技有限公司、浙江凯圣氟化学有限公司及其子公司浙江凯恒电子材料有限公司股权于 2018 年 4 月全部转让给中巨芯科技有限公司。

来源于单个子公司的净利润或单个参股公司的投资收益对公司净利润影响达到 10%以上的说明：

子公司及联营公司全称	营业收入（万元）	营业利润（万元）	净利润（万元）
浙江衢化氟化学有限公司	356,047.49	67,074.65	60,659.54
浙江衢州巨新氟化工有限公司	214,217.99	40,423.18	31,194.45
宁波巨化化工科技有限公司	211,822.82	48,953.84	41,019.09

2018 年，本公司有 3 家子公司及联营企业业绩变动在 30%以上，且对公司合并经营业绩造成重大影响，其业绩变动情况及原因如下：

公司名称	净利润(万元)		变动幅度%	变动原因
	2018 年	2017 年		
浙江衢化氟化学有限公司	60,659.54	28,674.83	111.54	产品价格上升及产销量增加
浙江衢州巨新氟化工有限公司	31,194.45	22,100.97	41.15	产品价格上升及产销量增加
宁波巨化化工科技有限公司	41,019.09	21,382.41	91.84	产品价格上升及产销量增加

巨化集团财务有限责任公司	300,543,751.19	184,112,000.00		21,614,237.79						506,269,988.98	
浙江硅谷巨赋投资管理有限公司	2,149,040.18			-243,817.42						1,905,222.76	
中巨芯科技有限公司	389,999,844.00			-3,232,319.25	1,250,380.19					388,017,904.94	
杉杉新材料（衢州）有限公司	67,508,626.21			-24,619,434.24	200,937.47					43,090,129.44	
杭州巨赋隆睿股权投资合伙企业（有限合伙）	10,264,381.80		10,681,433.28	417,051.48							
上海爱新液化气体有限公司		4,339,200.00		3,102,356.08						7,441,556.08	
iGas USAInc		68,317,000.00		-2,025,952.19	261,192.28					66,552,240.09	
小计	876,596,409.68	256,768,200.00	10,681,433.28	-246,179.03	1,865,202.37		4,180,000.00		-50,900,878.53	1,069,221,321.21	
合计	903,476,409.68	256,768,200.00	10,681,433.28	-246,179.03	1,865,202.37		4,180,000.00		-50,900,878.53	1,096,101,321.21	26,880,000.00

其他说明

[注 1]：本期公司控股合并了原联营企业晋巨化工公司，因此原对其账面价值因合并抵消进行了转出，同时其对浙江衢州巨化昭和电子化学材料有限公司的股权投资因纳入合并范围而增加。

[注 2]：兰溪农药厂股权投资已全额计提减值准备。

15、 投资性房地产

投资性房地产计量模式

(1).采用成本计量模式的投资性房地产

单位：元 币种：人民币

项目	房屋、建筑物	土地使用权	在建工程	合计
一、账面原值				
1.期初余额	34,619,200.25			34,619,200.25
2.本期增加金额	42,001,038.36	2,439,581.28		44,440,619.64
（1）外购	7,697,038.36			7,697,038.36
（2）存货\固定资产\在建工程转入	34,304,000.00			34,304,000.00
（3）企业合并增加		2,439,581.28		2,439,581.28
3.本期减少金额				
（1）处置				
（2）其他转出				

7、 本期内发生的估值技术变更及变更原因

□适用 √不适用

8、 不以公允价值计量的金融资产和金融负债的公允价值情况

□适用 √不适用

9、 其他

□适用 √不适用

十二、 关联方及关联交易

1、 本企业的母公司情况

√适用 □不适用

单位：万元 币种：人民币

母公司名称	注册地	业务性质	注册资本	母公司对本企业的持股比例(%)	母公司对本企业的表决权比例(%)
巨化集团有限公司	杭州	制造业、商业等	400,000.00	51.91%	54.09%

本企业的母公司情况的说明

截至 2018 年 12 月 31 日，巨化集团有限公司直接持有本公司 38.65%的股份，另有 13.26%的股份作为 17 巨化 EB 的信托及担保财产存放于巨化集团-浙商证券-17 巨化 EB 担保及信托财产专户（由 17 巨化 EB 的受托管理人浙商证券作为名义持有人），通过全资子公司浙江巨化投资有限公司持有本公司 2.18%的股份，合计表决权比例为 54.09%。

本企业最终控制方是浙江省人民政府国有资产监督管理委员会

其他说明：

无

2、 本企业的子公司情况

本企业子公司的情况详见附注

√适用 □不适用

详见本财务报表附注在其他主体中的权益之说明。

3、 本企业合营和联营企业情况

本企业重要的合营或联营企业详见附注

□适用 √不适用

本期与本公司发生关联方交易，或前期与本公司发生关联方交易形成余额的其他合营或联营企业情况如下

√适用 □不适用

Relationship with Company

合营或联营企业名称	与本企业关系
IGAS USA, INC.	本公司联营企业 Joint Venture
上海巨化实业发展有限公司	本公司联营企业
杉杉新材料（衢州）有限公司	本公司联营企业
浙江工程设计有限公司	本公司联营企业
浙江衢州福汇化工科技有限公司	本公司联营企业

浙江菲达环保科技股份有限公司	同受巨化集团有限公司控制

其他说明
无

5、 关联交易情况

(1).购销商品、提供和接受劳务的关联交易

采购商品/接受劳务情况表
√适用 □不适用

单位：元 币种：人民币

关联方	关联交易内容	本期发生额	上期发生额
巨化集团有限公司	材料、水电等	2,362,818,813.23	2,031,097,204.12
浙江晋巨化工有限公司	甲醇、氮气等	515,518,739.46	553,853,481.63
巨化集团公司汽车运输有限公司	运费、修理服务等	263,998,048.42	237,961,986.10
浙江巨化装备制造有限公司	工程物资、备件材料等	67,506,828.10	36,726,486.37
浙江巨化化工矿业有限公司	萤石矿	65,446,333.35	66,284,099.72
浙江巨化化工材料有限公司	工程物资、彩扩费	51,214,115.33	14,618,386.65
巨化集团公司兴化实业有限公司	绿化费、餐费等	36,646,253.99	43,537,992.92
浙江巨化电石有限公司	高纯氮、电石等	23,456,011.13	29,794,467.80
浙江巨化物流有限公司	运费、仓储服务等	5,498,919.83	3,869,973.74
浙江歌瑞新材料有限公司	钢衬 PTFE 直管等	5,201,834.21	14,506,069.67
上海巨化实业发展有限公司	烟煤、技术咨询服务	3,839,696.85	166,337.83
浙江巨化新联化工有限公司	编织袋等	3,692,695.79	60,613,224.82
衢州氟硅技术研究院	检测费、咨询服务	3,527,097.08	1,797,659.25
浙江南方工程建设监理有限公司	监理服务	3,389,502.01	2,443,138.91
巨化控股有限公司	咨询服务	1,547,169.82	
浙江博瑞电子科技有限公司	氯化氢	1,497,432.00	
浙江科健安全卫生咨询有限公司	危害预防评价服务	639,622.64	
杉杉新材料（衢州）有限公司	六氟磷酸锂	436,068.38	670,016.56
浙江凯圣氟化学有限公司	硝酸、盐酸等	354,128.21	
浙江巨化集团进出口有限公司	化工原料	309,860.68	3,802,921.92
浙江巨化汉正新材料有限公司	化工原料	287,145.21	1,078,888.89
巨化集团公司工程有限公司	修理费等	159,262.04	40,264,778.00
浙江清科环保科技有限公司	技术咨询服务	61,320.76	
浙江华江科技股份有限公司	技术测试服务	55,660.38	2,564.11
浙江衢州巨泰建材有限公司	过磅费等	53,070.32	
浙江工程设计有限公司	技术咨询服务	37,735.85	1,149,260.01
巨化集团公司制药厂	仓储服务	8,490.57	
浙江衢州福汇化工科技有限公司	无水氢氟酸		3,896,154.70
兰溪市双凤巨龙供水有限公司	水电费		177,366.99
合 计		3,417,201,855.64	3,148,312,460.71

出售商品/提供劳务情况表 Sale of goods / provision of labor
√适用 □不适用

单位：元 币种：人民币

关联方	关联交易内容	本期发生额	上期发生额
IGAS USA, INC.	材料销售	233,708,704.68	

Current period

4、本期支付巨化集团财务有限责任公司借款利息 193,877.08 元，上年同期为 188,681.25 元。

6、 关联方应收应付款项 Related party receivables and payables

(1). 应收项目

√适用 □不适用

单位:元 币种:人民币

项目名称	关联方	期末余额		期初余额	
		账面余额	坏账准备	账面余额	坏账准备
应收票据及应收账款	IGAS USA, INC.	24,593,101.95	1,229,655.10		
应收票据及应收账款	巨化集团有限公司	21,277,887.26	295.83	16,045,382.49	751,769.11
应收票据及应收账款	杉杉新材料（衢州）有限公司	15,369.52	1,536.95	97,293.84	4,864.69
应收票据及应收账款	浙江博瑞电子科技有限公司	313,783.56	4,104.66		
应收票据及应收账款	浙江歌瑞新材料有限公司	8,744,970.60	437,248.53		
应收票据及应收账款	浙江锦华新材料股份有限公司	7,053,685.18	352,684.26		
应收票据及应收账款	浙江凯恒电子材料有限公司	2,144,559.42	107,227.97		
应收票据及应收账款	浙江凯圣氟化学有限公司	1,756,659.06	87,832.95		
应收票据及应收账款	浙江衢州福汇化工科技有限公司	3,977,494.45	198,874.72	13,593,935.91	334,696.80
应收票据及应收账款	浙江衢州巨化昭和电子化学材料有限公司	106,740.47	5,337.02		
应收票据及应收账款	浙江巨化化工矿业有限公司	113.74	5.69	390.62	19.53
应收票据及应收账款	兰溪农药厂	60,266,197.95	33,507,430.15	60,266,197.95	33,507,430.15
应收票据及应收账款	浙江晋巨化工有限公司			3,750.00	187.50
应收票据及应收账款	浙江巨化汉正新材料有限公司			5,682,377.27	284,118.86
应收票据及应收账款	浙江巨化装备制造有限公司			6,339,527.36	316,976.37
应收票据及应收账款	巨化集团公司工程有限公司			366,630.86	18,331.54
应收票据及应收账款	浙江巨化化工材料有限公司	300,000.00		982,000.00	
应收票据及应收账款	上海巨化实业发展有限公司			77,595.00	

					期计提减值准备	准备期末余额
宁波巨化公司	157, 390, 000. 00			157, 390, 000. 00		
衢化氟化公司	310, 415, 418. 21			310, 415, 418. 21		
兰溪氟化公司	39, 500, 000. 00			39, 500, 000. 00		
凯圣氟化公司	158, 142, 190. 40		158, 142, 190. 40			
巨塑化工公司	345, 314, 463. 69	380, 000, 000. 00		725, 314, 463. 69		
巨邦高新公司	8, 295, 155. 94			8, 295, 155. 94		
联州致冷公司	23, 228, 533. 69	60, 000, 000. 00		83, 228, 533. 69		
巨圣氟化公司	57, 904, 009. 55			57, 904, 009. 55		
宁波巨榭公司	50, 000, 000. 00			50, 000, 000. 00		
衢州鑫巨公司	19, 500, 000. 00			19, 500, 000. 00		
巨化香港公司	81, 712, 100. 00			81, 712, 100. 00		
巨新氟化公司	1, 130, 141, 018. 00			1, 130, 141, 018. 0 0		
巨化锦纶公司	1, 162, 474, 055. 83			1, 162, 474, 055. 8 3		
氟新化工公司	25, 428, 126. 93			25, 428, 126. 93		
博瑞电子公司	726, 000, 000. 00		726, 000, 000. 00			
丽水福华公司	10, 000, 000. 00			10, 000, 000. 00		
巨化检安公司	25, 572, 575. 48			25, 572, 575. 48		
技术中心		76, 528, 276. 98		76, 528, 276. 98		
研究院		42, 994, 445. 78		42, 994, 445. 78		
晋巨化工公司		429, 471, 794. 54		429, 471, 794. 54		
兰溪农药厂	26, 880, 000			26, 880, 000		26, 880, 000
合计	4, 357, 897, 647. 72	988, 994, 517. 30	884, 142, 190. 40	4, 462, 749, 974. 6 2		26, 880, 000

(2). 对联营、合营企业投资 Investment in joint ventures and joint ventures

√适用 □不适用

单位：元 币种：人民币

投资单位	期初余额	本期增减变动								期末余额	减值准备期末余额
		追加投资	减少投资	权益法下确认的投资损益	其他综合收益调整	其他权益变动	宣告发放现金股利或利润	计提减值准备	其他		
一、合营企业											
小计											
二、联营企业											
中巨芯科技有限公司	389, 999, 844. 00			-3, 232, 319. 25	1, 250, 380. 19					388, 017, 904. 94	
上海巨化	24, 568,			1, 479, 4						26, 048	

实业发展有限公司	740.70			45.96						,186.66	
浙江衢州巨化昭和电子化学材料有限公司	11,878,211.12			752,629.33	90,368.99					12,721,209.44	
浙江晋巨化工有限公司	58,762,360.14			709,434.40					-59,471,794.54		
浙江衢州福汇化工科技有限公司	10,921,454.34			1,660,180.60			4,180,000.00			8,401,634.94	
巨化集团财务有限责任公司	300,543,751.19	184,112,000.00		21,614,237.79						506,269,988.98	
浙江硅谷巨赋投资管理有限公司	2,149,040.18			-243,817.42						1,905,222.76	
杉杉新材料(衢州)有限公司	60,900,227.72			-24,248,869.84	200,937.47					36,852,295.35	
杭州巨赋隆睿股权投资合伙企业(有限合伙)	10,264,381.80		10,681,433.28	417,051.48							
上海爱新液化气体有限公司		4,339,200.00		3,102,356.08						7,441,556.08	
iGas USAInc		68,317,000.00		-2,025,952.19	261,192.28					66,552,240.09	
小计	869,988,011.19	256,768,200.00	10,681,433.28	-15,623.06	1,802,878.93		4,180,000.00		-59,471,794.54	1,054,210,239.24	
合计	869,988,011.19	256,768,200.00	10,681,433.28	-15,623.06	1,802,878.93		4,180,000.00		-59,471,794.54	1,054,210,239.24	

其他说明：
无

4、 营业收入和营业成本

(1). 营业收入和营业成本情况

√适用 □不适用

单位：元 币种：人民币

项目	本期发生额		上期发生额	
	收入	成本	收入	成本
主营业务	4,605,156,440.59	3,691,011,791.29	3,991,059,783.62	3,251,273,922.28
其他业务	538,996,389.97	519,169,614.52	422,155,610.92	415,092,948.07
合计	5,144,152,830.56	4,210,181,405.81	4,413,215,394.54	3,666,366,870.35

Attachment B

(Complaint, T.T. International Co. Inc. v. BMP International Inc. et al., No. 8:19-cv-02044 (M.D. Fla., filed Aug. 16, 2019))

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

T.T. INTERNATIONAL CO., LTD., Plaintiff, v. BMP INTERNATIONAL INC., BMP USA, INC., and iGAS USA, INC., Defendants.	CASE NO.:

COMPLAINT

Plaintiff T.T. International Co., Ltd. ("T.T." or "Plaintiff") sues Defendants, BMP International, Inc., BMP USA, Inc., and iGas USA, Inc. (collectively the "Defendants"), and alleges as follows:

NATURE OF THE ACTION

1. This is an action for damages arising out of T.T.'s shipment and the Defendants' acceptance of (a) over $14 million of refrigerants, disposable cylinders, and related products to Defendant BMP International; (b) over $58 million of refrigerants, disposable cylinders, and related products to Defendant BMP USA; and (c) over $1 million of refrigerants, disposable cylinders, and related products to Defendant iGas USA. Thus, the Defendants owe T.T. in excess of $70 million, plus interest.

2. The shipments are evidenced by, among other things, invoices issued by T.T. to each of the three Defendants, as follows:

a. Complete, accurate, and authentic copies of the invoices for T.T.'s shipments to Defendant BMP International are attached as composite **Exhibit A** (the "BMP International Invoices"). These invoices are dated between June 9 and August 1, 2017.

b. Complete, accurate, and authentic copies of the invoices for T.T.'s shipments to Defendant BMP USA are attached as composite **Exhibit B** (the "BMP USA Invoices"). These invoices are dated between July 28, 2017 and May 25, 2018.

c. Complete, accurate, and authentic copies of the invoices for T.T.'s shipments to Defendant iGas USA are attached as composite **Exhibit C** (the "iGas USA Invoices"). These invoices are dated between July 10 and 25, 2018.

3. The Defendants received, retained, and in all or some instances resold these goods. However, they have refused and failed to pay T.T. for these refrigerants, disposable cylinders and related products. Consequently, T.T has suffered damages in excess of $70 million.

THE PARTIES

4. Plaintiff T.T. is a company organized under the laws of the People's Republic of China, which at all material times had its principal place of business in Dalian, China.

5. Defendant BMP International is a Florida corporation with its principal place of business in Tampa, Florida. Thus, it is a Florida citizen.

6. Defendant BMP USA is a Florida corporation with its principal place of business in Tampa, Florida. Thus, it is a Florida citizen.

7. Defendant iGas USA is a Florida corporation with its principal place of business in Tampa, Florida. Thus, it is a Florida citizen.

JURISDICTION AND VENUE

8. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1332(a)(2) because the matter in controversy exceeds the sum or value of $75,000, exclusive of interest and costs, and it is between the citizens of a State and a citizen of a foreign state.

9. The Court has personal jurisdiction over BMP International because it is a citizen of Florida.

10. The Court has personal jurisdiction over BMP USA because it is a citizen of Florida.

11. The Court has personal jurisdiction over iGas USA because it is a citizen of Florida.

12. Venue is proper in this Court pursuant to 28 U.S.C. § 1391(b) because BMP International, BMP USA, and iGas USA reside in this judicial district, and a substantial part of the events or omissions giving rise to the claims occurred here.

FACTUAL ALLEGATIONS

13. T.T. is engaged in the business of manufacturing and selling of refrigerants, disposable cylinders, and related products. T.T. often works with importers in countries such as the United States to sell its products into markets outside of China. T.T. does not maintain any offices, employees, or agents within the United States. Nor does T.T. itself import product into the United States.

14. The Defendants are business organizations that, among other things, import refrigerants, disposable cylinders, and related products to the United States. The Defendants market themselves as wholesalers of refrigerant and related products. Accordingly, the Defendants resell the refrigerant and related products that they receive from T.T. and presumably other suppliers.

15. At all relevant times, the Defendants were controlled, in whole or in part and directly or indirectly, by Xianbin "Ben" Meng, who resides in the Tampa Bay area.

16. On or about February 1, 2012, Meng contacted T.T. by email on behalf of BMP International. Meng stated that he viewed T.T.'s materials at the AHR Expo in Chicago—an industry trade show—and that he wanted a price quotation for several refrigerants.

17. At all relevant times, Meng controlled and directed the operations of BMP International. On information and belief, Meng has served, and continues to serve, as BMP International's president.

18. As Meng requested, T.T. provided a price quotation for refrigerants and related products. Meng subsequently notified T.T. that BMP International accepted its proposed terms.

19. Consequently, T.T. sent invoices and shipping documents for BMP International's first order to Meng. In or about August 2012, T.T., through its shipping agent, shipped the refrigerants and related products that BMP International had ordered to an address in Tampa, Florida that Meng had provided.

20. T.T.'s invoices for BMP International's orders placed in 2012 stated the number and type of packages, described the goods and quantity, provided shipping details, and

included the following terms of payment: "10% against proforma invoice, 90% balance before arriving".

21. On or about March 27, 2015, T.T. transmitted the first invoice to BMP International that substituted "O/A 60 days" as the term of payment. The term "O/A" means "open account."

22. During the month of September 2015, T.T. transitioned to using "O/A 60 days from B/L date" as the term of payment on all invoices it sent to the Defendants and their related entities. The term "B/L" means "bill of lading."

23. At Meng's request, in or about June 2015, T.T. began shipping refrigerants and related products to Defendant BMP USA.

24. The invoices and shipping documents that T.T. sent to BMP USA for these goods were identical or substantially similar in form to those that T.T. utilized for BMP International and, accordingly, they contained essentially the same information.

25. At all relevant times, Meng controlled and directed the operations of BMP USA. On information and belief, Meng has served, and continues to serve, as BMP USA's president.

26. At Meng's request, in or about August 2015, T.T. began shipping refrigerants and related products to LM Supply, Inc. Meng represented to T.T. that BMP International controlled LM Supply and was responsible for making payments on its behalf.

27. The invoices and shipping documents that T.T. sent to LM Supply for these goods were identical or substantially similar in form to those that T.T. utilized for BMP International and BMP USA. Accordingly, they contained essentially the same information.

28. Thus, BMP International (a) placed orders with T.T. for LM Supply; and (b) paid for the refrigerants and related products that T.T. shipped to LM Supply from one of the same accounts which BMP International made payments for goods it received from T.T.

29. At Meng's request, in or about March 2016, T.T. shipped refrigerants and related products to BMP International while invoicing "R Lines." On information and belief, R Lines is controlled, in whole or in part and directly or indirectly, by Meng. BMP International served as the consignee on the corresponding shipping documents and made payment for the goods shipped.

30. The invoices and shipping documents that T.T. sent to R Lines for these goods were identical or substantially similar in form to those that T.T. utilized for BMP International and other Meng-controlled companies. Accordingly, they contained essentially the same information.

31. Thus, BMP International (a) placed orders with T.T. ostensibly in the name of R Lines; and (b) paid for the refrigerants and related products that T.T. shipped to BMP International with invoices in R Lines' name but with shipping documents showing BMP International as consignee.

32. At Meng's request, in or about June 2016, T.T. began shipping refrigerants and related products sending invoices to Assured Comfort AC, Inc. Meng represented that BMP International controlled Assured Comfort, and was responsible for making payments on its behalf.

33. The invoices and shipping documents that T.T. sent to Assured Comfort for these goods were identical or substantially similar in form to those that T.T. utilized for BMP

International and other Meng-controlled companies. Accordingly, they contained essentially the same information.

34. Thus, BMP International (a) placed orders with T.T. for Assured Comfort; and (b) paid for the refrigerants and related products that T.T. shipped to Assured from one of the same accounts from which BMP International made payments for goods it received from T.T.

35. During the period from July 2017 to May 2018, the orders T.T. received for refrigerants and related products: (a) decreased significantly from BMP International; and (b) increased significantly from BMP USA. Thus, while Meng continued to place the orders for these goods, he increasingly directed T.T. to ship to and invoice BMP USA rather than BMP International.

36. During the period from July 2017 to May 2018, Meng continued to direct some invoices to affiliate entities including: (a) R-Lines, and (b) Coolmaster USA, Inc.—another Meng-controlled entity. During this period, T.T. understood—based upon Meng's representations among other things—that BMP USA and or BMP International would ultimately take responsibility for payment.

37. Meng introduced Coolmaster USA as a related company to BMP USA and sought to have T.T. enter a relationship with Coolmaster USA as part of its continued relationship with BMP USA and BMP International.

38. The invoices and shipping documents that T.T. sent to Coolmaster USA for these goods were identical or substantially similar in form to those that T.T. utilized for BMP USA and other Meng-controlled companies. Accordingly, they contained essentially the same information.

39. During 2018, Meng also directed T.T. to make shipments directly to customers and or suppliers of his companies including: (a) Materiales Electricos de Const. y Refrig., S.A.; (b) Lenz Sales & Distribution, Inc.; and (c) Puremann, Inc. T.T. understood—based upon Meng's representations among other things—that if the customer and or supplier invoiced did not pay for the refrigerant gases and related products, BMP USA or BMP International would bear ultimate responsibility for the payment.

40. At Meng's request, in or about June 2018, T.T. began shipping refrigerants and related products to Defendant iGas USA, another company controlled, in whole or in part by Meng.

41. T.T.'s invoice and shipping documents to iGas USA were identical or substantially similar in form to those that T.T. utilized for BMP International and other Meng-controlled companies. Accordingly, they contained essentially the same information.

42. During July 2018, T.T. received orders for refrigerants and related products from Defendant iGas USA, but not from BMP International, BMP USA, or any of their affiliates.

43. At all relevant times, the following companies were controlled, directly or indirectly and in whole or in part, by Meng:

a. BMP International, Inc.;

b. BMP USA, Inc.;

c. LM Supply, Inc.;

d. R Lines;

e. Assured Comfort AC;

f. iGas USA, Inc.; and

g. Coolmaster USA, Inc.

44. From approximately February 2012 until approximately July 2018, T.T. maintained a business relationship with one or more of the Defendants. During that time, T.T. received orders from Meng or someone under his direction, who would inform T.T. of (a) the products and quantities requested, and (b) to which of the Defendants, affiliated companies, customers, or suppliers of a Defendant the order should be shipped.

45. During this time period, T.T. maintained a custom and practice of consistently sending invoices and attendant shipping documents for the refrigerants and related products ordered by the Defendants, or by or for LM Supply, R Lines, Assured Comfort AC, or Coolmaster USA (collectively, the "affiliates"), which specified the type and quantity of goods, number and kind of packages, related shipping details, and terms of payment.

46. From approximately August 2012 to approximately November 2018, the Defendants continued to make payments on account for amounts owed to T.T. for goods it supplied to them.

47. When T.T. received a payment from the Defendants, it generally credited that payment to the oldest outstanding invoice or invoices. If, however, there was a newer invoice closer in amount to the payment received, T.T. would, at times, credit the payment to the invoice closer in amount due to the payment rather than to the oldest invoice.

48. Thus, in its normal business operations, T.T. generally employed a balance forward system of accounting.

49. However, the Defendants have not made any payments to T.T. since approximately November of 2018.

50. In or about late July 2018, Meng, acting in his capacity as a representative of each of the Defendants, met with representatives of T.T. in Shanghai, China. During that meeting, Meng stated that the Defendants no longer wished to purchase refrigerants and related products from T.T.

51. Consequently, T.T. demanded that the Defendants pay all of the amounts due T.T. for goods it supplied to the Defendants and their affiliates.

52. Moreover, T.T. provided Meng and, therefore, the Defendants, with a USB drive containing a statement of outstanding invoices rendered by T.T. to the Defendants.

53. Thereafter, the Defendants did not dispute the amounts that T.T. had detailed that each Defendant owed. Moreover, Defendants continued to make payments to T.T. until approximately November 2018.

54. Throughout the period from approximately November 2018, until near the time this Complaint was filed, T.T. made repeated demands via email, telephone, and other messaging forms to Meng and the Defendants that the Defendants pay for the goods they received.

55. In or about May 2019, a T.T. representative traveled from Dailan, China to Tampa, Florida, met with Meng, and demanded payment from the Defendants.

56. Despite these repeated demands, the Defendants have made no payments since approximately November 2018, and have never disputed the amounts owed.

57. Neither the Defendants, or any of their affiliates, have ever returned any of T.T.'s shipments as defective, deficient, or otherwise. On the contrary, the Defendants and their affiliates retained the refrigerants and related products that they received from T.T.

58. Moreover, on information and belief, the Defendants, either directly or through one or more of their affiliates, resold all or, at a minimum, a significant amount of the goods they received from T.T. Nevertheless, the Defendants failed to pay T.T. in excess of $70 million that remains outstanding for refrigerants and related products.

59. T.T. has engaged Dentons US LLP and Greenberg Traurig, P.A. to represent it in this action and is obligated to pay counsel reasonable fees for their services.

60. All conditions precedent to the commencement of this action and the granting of the relief requested have occurred, have been satisfied, or have been waived.

COUNT I - Breach Of Contract By BMP International

61. T.T. incorporates the allegations set forth in paragraphs 1 through 60, above.

62. T.T. made offers to enter into contracts with Defendant BMP International by transmitting invoices ahead of the transfer of goods that contained a description of the kind and quantity of the goods, the price of those goods, and attendant payments terms. Complete, accurate, and authentic copies of each invoice are included in composite **Exhibit A**.

63. T.T. rendered the BMP International Invoices between approximately June and August 2017.

64. The BMP International Invoices require this Defendant to pay T.T. the amounts set forth on them—which totals in excess of $14 million in principal—for the refrigerants and related products BMP International received from T.T.

65. All of the BMP International Invoices included the payment term "O/A 60 days from B/L date".

66. As to each invoice, BMP International accepted T.T.'s offer by, among other things, accepting and retaining the refrigerants and related products that this Defendant received from T.T.

67. T.T. shipped all of the goods in the quantity and kind specified by the BMP International Invoices.

68. BMP International breached these contracts by failing to pay the total amounts due under the BMP International Invoices within the time specified by the payment term on each invoice.

69. As a direct result of Defendant BMP International's breach of the contracts, T.T. has suffered damages.

WHEREFORE, T.T. demands judgment against BMP International for damages, prejudgment and post-judgment interest, and such further relief as is appropriate to protect T.T.'s rights and interests.

COUNT II - Breach of Contract by BMP USA

70. T.T. incorporates the allegations set forth in paragraphs 1 through 60, above.

71. T.T. made offers to enter into contracts with Defendant BMP USA by transmitting invoices ahead of the transfer of goods that contained a description of the kind and quantity of the goods, the price of those goods, and attendant payments terms. Complete, accurate, and authentic copies of each invoice are included in composite **Exhibit B**.

72. T.T. rendered the BMP USA Invoices between approximately July 2017 and May 2018.

73. The BMP USA Invoices require this Defendant to pay T.T. the amounts set forth on them—which totals in excess of $58 million in principal—for the refrigerants and related products BMP USA received from T.T.

74. All of the BMP USA Invoices included the payment term "O/A 60 days from B/L date".

75. As to each invoice, BMP USA accepted T.T.'s offer by, among other things, accepting and retaining the refrigerants and related products that this Defendant received from T.T.

76. T.T. shipped all of the goods in the quantity and kind specified by the BMP USA Invoices.

77. BMP USA breached these contracts by failing to pay the total amounts due under the BMP USA Invoices within the time specified by the payment term on each invoice.

78. As a direct result of Defendant BMP USA's breach of the contracts, T.T. has suffered damages.

WHEREFORE, T.T. demands judgment against BMP USA for damages, prejudgment and post-judgment interest, and such further relief as is appropriate to protect T.T.'s rights and interests.

COUNT III - Breach of Contract by iGas USA

79. T.T. incorporates the allegations set forth in paragraphs 1 through 60, above.

80. T.T. made offers to enter into contracts with Defendant iGas USA by transmitting invoices ahead of the transfer of goods that contained a description of the kind and quantity of the goods, the price of those goods, and attendant payments terms. Complete, accurate, and authentic copies of each invoice are included in composite **Exhibit C**.

81. T.T. rendered the iGas USA Invoices in or around July 2018.

82. The iGas USA Invoices require this Defendant to pay T.T. the amounts set forth on them—which totals in excess of $1 million in principal—for the refrigerants and related products iGas USA received from T.T.

83. All of the iGas USA Invoices included the payment term "O/A 60 days from B/L date".

84. As to each invoice, iGas USA accepted T.T.'s offer by, among other things, accepting and retaining the refrigerants and related products that this Defendant received from T.T.

85. T.T. shipped all of the goods in the quantity and kind specified by the iGas USA Invoices.

86. iGas USA breached these contracts by failing to pay the total amounts due under the iGas USA Invoices within the time specified by the payment term on each invoice.

87. As a direct result of Defendant iGas USA's breach of the contracts, T.T. has suffered damages.

WHEREFORE, T.T. demands judgment against iGas USA for damages, prejudgment and post-judgment interest, and such further relief as is appropriate to protect T.T.'s rights and interests.

COUNT IV - Unjust Enrichment by BMP International

88. T.T. incorporates the allegations set forth in paragraphs 1 through 60, above.

89. From approximately June to approximately August 2017, T.T. shipped to Defendant BMP International refrigerant gas and related products worth in excess of $14 million with the expectation that BMP International would timely remit payment for the goods it received.

90. BMP International acknowledged that the goods were sent and accepted the benefit of these refrigerant gas and related products by arranging for them to pass through United States Customs and subsequently taking possession.

91. BMP International also accepted the benefit of the goods it received from T.T. by, among other things, reselling all or, at a minimum, a significant amount of these refrigerant gas and related products.

92. BMP International failed to remit any payment to T.T. for the goods this Defendant received during this period.

WHEREFORE, T.T. demands judgment against BMP International for damages, prejudgment and post-judgment interest, and such further relief as is appropriate to protect T.T.'s rights and interests.

COUNT V - Unjust Enrichment by BMP USA

93. T.T. incorporates the allegations set forth in paragraphs 1 through 60, above.

94. From approximately August 2017 to approximately October 2018, T.T. shipped refrigerant gas and related products worth in excess of $58 million at the direction of Defendant

BMP USA with the expectation that BMP USA would timely remit payment for the goods it received.

95. BMP USA acknowledged that the goods were sent and accepted the benefit of these refrigerant gas and related products by arranging for them to pass through United States Customs and subsequently taking possession.

96. BMP USA also accepted the benefit of the goods it received from T.T. by, among other things, reselling all or, at a minimum, a significant amount of these refrigerant gas and related products.

97. BMP USA failed to remit any payment to T.T. for the goods this Defendant received during this period.

98. In addition, BMP USA directed T.T. to ship some refrigerant gas and related products to its customers and or suppliers with the promise that BMP USA would render payment to T.T.

99. Upon information and belief, BMP USA retained the benefit of these goods by, among other things, accepting and retaining compensation and or product from customers and or suppliers that received goods from T.T.

100. T.T. received no compensation from BMP USA for the goods BMP USA directed T.T. to ship to its customers and or suppliers.

101. Furthermore, BMP USA directed T.T. to ship refrigerant gas and related products to its various affiliates with the promise that BMP USA would render payment to T.T.

102. Upon information and belief, BMP USA retained the benefit of these refrigerant gas and related products by sharing in the proceeds realized by its affiliates from the resale of those goods.

103. Despite BMP USA's promise to pay for goods received by its affiliates, T.T. has not received any compensation for the goods shipped to BMP USA's affiliates at its direction.

WHEREFORE, T.T. demands judgment against BMP USA for damages, prejudgment and post-judgment interest, and such further relief as is appropriate to protect T.T.'s rights and interests.

COUNT XII - Unjust Enrichment by iGas USA

104. T.T. incorporates the allegations set forth in paragraphs 1 through 60, above.

105. From approximately July to approximately August 2018, T.T. shipped to Defendant iGas USA refrigerant gas and related products worth in excess of $1 million with the expectation that iGas USA would timely remit payment for the goods it received.

106. iGas USA acknowledged that the goods were sent and accepted the benefit of these refrigerant gas and related products by arranging for them to pass through United States Customs and subsequently taking possession.

107. iGas USA also accepted the benefit of the goods it received from T.T. by, among other things, reselling all or, at a minimum, a significant amount of these refrigerant gas and related products.

108. iGas USA failed to remit any payment to T.T. for the goods this Defendant received during this period.

WHEREFORE, T.T. demands judgment against iGas USA for damages, prejudgment and post-judgment interest, and such further relief as is appropriate to protect T.T.'s rights and interests.

COUNT VII - Account Stated by BMP International

109. T.T. incorporates the allegations set forth in paragraphs 1 through 60, above.

110. Before the institution of this action, T.T. and Defendant BMP International had business transactions between them beginning in 2012.

111. T.T. stated the amounts due to it from BMP International by, among other things, issuing invoices for each transaction.

112. The invoices issued to BMP International included those invoices from approximately June until approximately August 2017, for which the stated accounts remain unpaid. Complete, accurate and authentic copies of these invoices are attached as composite **Exhibit A**.

113. The total value of these business transactions was in excess of $14 million.

114. In addition, T.T. provided BMP International, through Meng, with a USB drive containing a statement of all amounts due on or about July 30, 2018.

115. The USB drive contained a statement of BMP International and BMP USA's accounts itemized by invoice number. Thus, BMP International could engage in simple arithmetic to confirm the total of its unpaid invoices to T.T. according to the stated account.

116. T.T. continued to demand payments through at least May of 2019.

117. During the period T.T. demanded payments, BMP International did not dispute the total amounts due.

118. BMP International implicitly promised to make payment to T.T. on the account by, among other things: (a) retaining the refrigerants and related products that it received from T.T.; (b) reselling these goods to customers; (c) not objecting to the stated amounts due; and (d) continuing to make payments on the account after receiving the stated balances.

119. Nevertheless, BMP International ceased making payments in or about November 2018, leaving a balance due on the account in excess of $14 million.

WHEREFORE, T.T. demands judgment against BMP International for damages, prejudgment and post-judgment interest, and such further relief as is appropriate to protect T.T.'s rights and interests.

COUNT VIII - Account Stated as to BMP USA

120. T.T. incorporates the allegations set forth in paragraphs 1 through 60, above.

121. Before the institution of this action, T.T. and Defendant BMP USA had business transactions between them beginning in 2015.

122. T.T. stated the amounts due to it from BMP USA by, among other things, issuing invoices for each transaction.

123. The invoices issued to BMP USA included those invoices from approximately July 2017 until approximately May 2018, for which the stated accounts remain unpaid. Complete, accurate and authentic copies of these invoices are attached as composite **Exhibit B**.

124. The total value of these business transactions was in excess of $58 million.

125. In addition, T.T. provided BMP USA, through Meng, with a USB drive containing a statement of all amounts due on or about July 30, 2018.

126. The USB drive contained a statement of BMP USA and BMP International's accounts itemized by invoice number. Thus, BMP USA could engage in simple arithmetic to confirm the total of its unpaid invoices to T.T. according to the stated account.

127. T.T. continued to demand payments through at least May of 2019.

128. During the period T.T. demanded payments, BMP USA did not dispute the total amounts due.

129. BMP USA implicitly promised to make payment to T.T. on the account by, among other things: (a) retaining the refrigerants and related products that it received from T.T.; (b) reselling these goods to customers; (c) not objecting to the stated amounts due; and (d) continuing to make payments on the account after receiving the stated balances.

130. Nevertheless, BMP USA ceased making payments in or about November 2018, leaving a balance due on the account in excess of $58 million.

WHEREFORE, T.T. demands judgment against BMP USA for damages, prejudgment and post-judgment interest, and such further relief as is appropriate to protect T.T.'s rights and interests.

COUNT IX - Account Stated as to iGas

131. T.T. incorporates the allegations set forth in paragraphs 1 through 60, above.

132. Before the institution of this action, T.T. and Defendant iGas USA had business transactions between them beginning in 2018.

133. T.T. stated the amounts due to it from iGas USA by, among other things, issuing invoices for each transaction.

134. The invoices issued to iGas USA included those invoices from in or around July 2018, for which the stated accounts remain unpaid. Complete, accurate and authentic copies of these invoices are attached as composite **Exhibit C**.

135. The total value of these business transactions was in excess of $1 million.

136. In addition, T.T. provided iGas USA, through Meng, with a USB drive containing a statement of all amounts due on or about July 30, 2018.

137. The USB drive contained a statement of iGas USA's accounts itemized by invoice number.

138. T.T. continued to demand payments through at least May of 2019.

139. During the period T.T. demanded payments, iGas USA did not dispute the total amounts due.

140. iGas USA implicitly promised to make payment to T.T. on the account by, among other things: (a) retaining the refrigerants and related products that it received from T.T.; (b) reselling these goods to customers; and (c) not objecting to the stated amounts due.

141. Nevertheless, iGas USA did not make payments, leaving a balance due on the account in excess of $1 million.

WHEREFORE, T.T. demands judgment against iGas USA for damages, prejudgment and post-judgment interest, and such further relief as is appropriate to protect T.T.'s rights and interests.

COUNT X - Open Account as to BMP International

142. T.T. incorporates the allegations set forth in paragraphs 1 through 60, above.

143. From approximately June to approximately August 2017, T.T. sold Defendant BMP International refrigerant gas and related products worth in excess of $14 million.

144. Throughout T.T.'s business relationship with BMP International, T.T. maintained an account for this Defendant containing charges and payments for all sales transactions between the companies. T.T. kept Defendants BMP International's and BMP USA's accounts in a ledger and determined the amounts due from each Defendant by itemizing each of their respective invoices.

145. T.T. generally included the charges invoiced to BMP International's affiliates in the account as it was BMP International's practice to (a) direct T.T. to ship to and or invoice the affiliates and (b) pay T.T. for goods shipped to and or invoiced to the affiliates.

146. Until approximately November 2018, BMP International made payments on its account, which T.T. duly recorded.

147. Since approximately November 2018, BMP International has not made a payment on its account with T.T.

148. Through simple analysis of the itemized invoice numbers in the account, T.T. could identify the transactions for which BMP International was responsible.

149. A complete, accurate, and authentic copy of BMP International's itemized account with T.T. is attached as **Exhibit D**.

150. As set forth on **Exhibit D**, BMP International owes the principal amount stated in the open account, which is in excess of $14 million, for goods this Defendant received and accepted from T.T.

WHEREFORE, T.T. demands judgment against BMP International for damages, prejudgment and post-judgment interest, and such further relief as is appropriate to protect T.T.'s rights and interests.

COUNT VIII - Open Account as to BMP USA

151. T.T. incorporates the allegations set forth in paragraphs 1 through 60, above.

152. From approximately July 2017 to approximately May 2018, T.T. sold Defendant BMP USA refrigerant gas and related products worth in excess of $58 million.

153. Throughout T.T.'s business relationship with BMP USA, T.T. maintained an account for this Defendant containing charges and payments for all sales transactions between the companies.

154. T.T. kept Defendants BMP USA's and BMP International's accounts in a ledger and determined the amounts due from each Defendant by itemizing each of their respective invoices.

155. T.T. generally included the charges invoiced to BMP USA's affiliates in the account as it was BMP USA's practice to (a) direct T.T. to ship to and or invoice the affiliates and (b) pay T.T. for goods shipped to and or invoiced to the affiliates.

156. T.T. generally included charges invoiced to BMP USA's customers and or suppliers in the account when BMP USA directed T.T. to ship refrigerant gas and related products to those customers and or suppliers with the promise that BMP USA would pay T.T. for the goods.

157. Until approximately November 2018, BMP USA made payments on its account, which T.T. duly recorded.

158. Since approximately November 2018, BMP USA has not made a payment on its account with T.T.

159. Through simple analysis of the itemized invoice numbers in the account, T.T. could identify the transactions for which BMP USA was responsible.

160. A complete, accurate, and authentic copy of BMP USA's itemized account with T.T. is attached as **Exhibit D**.

161. As set forth on **Exhibit D**, BMP USA owes the principal amount stated in the open account, which is in excess of $58 million, for goods this Defendant received and accepted from T.T.

WHEREFORE, T.T. demands judgment against BMP USA for damages, prejudgment and post-judgment interest, and such further relief as is appropriate to protect T.T.'s rights and interests.

COUNT XII - Open Account as to iGas USA

162. T.T. incorporates the allegations set forth in paragraphs 1 through 60, above.

163. From approximately June to approximately July 2018, T.T. sold Defendant iGas USA refrigerant gas and related products worth in excess of $1 million.

164. Throughout T.T.'s business relationship with iGas USA, T.T. maintained an account for this Defendant containing charges and payments for all sales transactions between the companies.

165. T.T. kept Defendant iGas USA's accounts in a ledger itemized by each of its invoices.

166. Until approximately October 2018, iGas USA made payments on its account, which T.T. duly recorded.

167. Since approximately October 2018, iGas USA has not made a payment on its account with T.T.

168. A complete, accurate, and authentic copy of iGas USA's itemized account with T.T. is attached as **Exhibit E**.

169. As set forth on **Exhibit E**, iGas USA owes the principal amount stated in the open account, which is in excess of $1 million, for goods this Defendant received and accepted from T.T.

WHEREFORE, T.T. demands judgment against iGas USA for damages, prejudgment and post-judgment interest, and such further relief as is appropriate to protect T.T.'s rights and interests.

[Attorney's Signature Appears on Following Page]

Dated: August 16, 2018

Respectfully submitted,

/s/ David B. Weinstein

David B. Weinstein (FBN 604410)
weinsteind@gtlaw.com
Ryan T. Hopper (FBN 0107347)
hopperr@gtlaw.com
GREENBERG TRAURIG, P.A.
101 East Kennedy Blvd., Suite 1900
Tampa, Florida 33602
(813) 318-5700 - telephone
(813) 318-5900 - facsimile

and

Mark G. Trigg
Application for Special Admission will be submitted
Roy Xiao
Application for Special Admission will be submitted
DENTONS US LLP
303 Peachtree Street, NE, Suite 5300
Atlanta, GA 30308
(404) 527-4000 - telephone
(404) 527-4198 - facsimile
mark.trigg@dentons.com
roy.xiao@dentons.com