



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

4APT-AEEB

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

JAN 28 2009

Mr. Scott Watson, V.P.
Blacklidge Emulsions, Inc.
828 B Pass Rd
Gulfport, MS 39501

RE: Consent Agreement and Final Order
Docket No. CAA-04-2009-1502(b)

Dear Mr. Watson:

Enclosed is a copy of the ratified Consent Agreement and Final Order (CAFO) in this matter. The original CAFO has been filed with the Regional Hearing Clerk as directed in Section 22.05(a) of the Consolidated Rules of Practice, as amended. Please refer to Section IV., Final Order for the terms and instructions regarding your final payment on the penalty due.

Also, enclosed is a copy of the Notice of Securities and Exchange Commission Registrants Duty to Disclose Environmental Legal Proceedings. This document puts you on notice of your potential duty to disclose to the Securities and Exchange Commission (SEC) any environmental enforcement actions taken by the EPA. If you have any questions with regards to the SEC environmental disclosure requirements, you may refer to the contact phone number at the bottom of the Notice.

Should you have any questions, please do not hesitate to contact Mr. Floyd Ledbetter at (404) 562-9218.

Sincerely,

A handwritten signature in black ink that reads "Beverly A. Spagg".

Beverly A. Spagg, Chief
Air & EPCRA Enforcement Branch
Air, Pesticides and Toxics
Management Division

Enclosure

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4**

In the Matter of:)
Blacklidge Emulsions, Inc.)
828 B Pass Road)
Gulfport, Mississippi 39501)
)
Respondent.)
_____)

Docket No. CAA-04-2009-1502(b)

RECEIVED
EPA REGION IV
2009 JAN 23 AM 6:20
HEARING CLERK

CONSENT AGREEMENT AND FINAL ORDER

I. Nature of the Action and Jurisdictional Statements

1. This is an administrative action for the assessment of civil penalties pursuant to Section 113(d) of the Clean Air Act (CAA), 42 U.S.C. § 7413(d), and the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits (Consolidated Rules), published in 40 C.F.R. Part 22. Complainant is the Director of the Air, Pesticides and Toxics Management Division, United States Environmental Protection Agency (EPA), Region 4. Respondent is Blacklidge Emulsions, Inc.

2. Complainant and Respondent have conferred for the purpose of settlement pursuant to 40 C.F.R. § 22.18(b) and desire to resolve this matter and settle the allegations described herein without a formal hearing. Therefore, without the taking of any evidence or testimony, the making of any argument, or the adjudication of any issue in this matter, and in accordance with 40 C.F.R. § 22.13(b), this Consent Agreement and Final Order (CAFO) will simultaneously commence and conclude this matter.

3. The authority to take action under Section 113(d) of the CAA, 42 U.S.C. § 7413(d), is vested in the Administrator of EPA. The Administrator of EPA has delegated this authority under the CAA to the Regional Administrators by EPA Delegation 7-6-A dated March 25, 1992, last updated on August 4, 1994. The Regional Administrator, Region 4, has redelegated this authority to the Director, Air, Pesticides, and Toxics Management Division, by EPA Region 4 Delegation 7-6-A, dated November 15, 1993, last updated on February 12, 2004. Pursuant to that delegation, the Director of the Air, Pesticides and Toxics Management Division has the authority to commence an enforcement action as the Complainant in this matter.

4. Consistent with Section 113(d) of the CAA, 42 U.S.C. § 7413(d), the requisite joint determination was made by EPA and the United States Department of Justice.

5. Respondent is a corporation, a part of whose business is the manufacture and/or distribution of architectural coatings and is therefore subject to the requirements of 40 C.F.R. Part 59, Subpart D.

6. Respondent is a “person” as defined in Section 302(e) of the CAA, 42 U.S.C. § 7602(e).

7. Respondent is a “manufacturer” and/or “importer” of architectural coating as defined at 40 C.F.R. § 59.401.

8. Respondent’s corporate headquarters is located at: 828 B Pass Road, Gulfport, Mississippi 39501.

II. Legal Requirements - Overview of Applicable Portions of the Clean Air Act

9. The federal regulations describe reporting requirements for manufacturers and/or importers of architectural coatings. The reporting requirements include a mandate that each manufacturer and importer of any architectural coating shall submit an initial notification report no later than September 13, 1999, or within 180 days after the date that the first architectural coating is manufactured or imported, whichever is later. 40 C.F.R. §§ 59.400, 59.408 (b).

10. Pursuant to Section 113(d) of the CAA, 42 U.S.C. § 7413(d), and 40 C.F.R. Part 19, EPA may assess a penalty of not more than \$27,500 for each violation that occurred on or after January 31, 1997, and not more than \$32,500 for each violation that occurred after March 15, 2004.

III. Factual Allegations

11. Upon information and belief, Blacklidge Emulsions, Inc., failed to comply with the initial notification requirements from September 1999 until January 9, 2008. Therefore, Blacklidge Emulsions, Inc., violated the initial notification requirements of the federal regulations at 40 C.F.R. § 59.408.

12. On January 9, 2008, in response to an information request sent by EPA pursuant to Section 114 of the CAA, 42 U.S.C. § 7414, Blacklidge Emulsions, Inc., provided EPA with the initial notification.

IV. Consent Agreement

13. For the purposes of this CAFO, Respondent admits the jurisdictional allegations set out in paragraphs 1 through 10 above, but Respondent neither admits nor denies the factual allegations set out above.

14. As provided in 40 C.F.R. § 22.18(b)(2), Respondent waives any right to contest the allegations listed above and its right to appeal the proposed final order accompanying this consent agreement.

15. Respondent consents to the assessment of and agrees to pay the civil penalties as set forth in this CAFO.

16. Respondent certifies that as of the date of its execution of this CAFO, it is in compliance with all relevant requirements of the CAA.

17. Compliance with this CAFO shall resolve the allegations of violations contained herein and known to the EPA at this time, and EPA hereby releases Respondent from all liability therefor. EPA does not know of any violations not herein addressed and resolved. This CAFO shall not otherwise affect any liability of Respondent, if any, to the United States. Other than as expressed herein, neither EPA nor Complainant waives any right to bring an enforcement action against Respondent for violation of any federal or state statute, regulation or permit, to initiate an action for imminent and substantial endangerment, or to pursue criminal enforcement for allegations of violations not contained in this CAFO.

18. Complainant and Respondent agree to settle this matter by their execution of this CAFO. The parties agree that the settlement of this matter is in the public interest and that this CAFO is consistent with the applicable requirements of the CAA. The following person is authorized to receive service relating to this proceeding on behalf of Complainant:

Floyd Ledbetter
Air and EPCRA Enforcement Branch - 12th floor
U.S. EPA - Region 4
61 Forsyth Street,
Atlanta, Georgia 30303

V. Final Order

19. Respondent shall pay a civil penalty of \$7,069 which is to be paid within thirty (30) days of the effective date of this CAFO.

20. Respondent shall pay the penalty by forwarding a cashier's or certified check, payable to: "Treasurer, United States of America," to the following address:

US Environmental Protection Agency
Fines and Penalties
Cincinnati Finance Center
P.O. Box 979077
St. Louis, MO 63197-9000

The check shall reference on its face the name and the Docket Number of the CAFO.

21. At the time of payment, Respondent shall send a separate copy of the check, and a written statement that payment has been made in accordance with this CAFO, to the following persons at the following addresses:

Regional Hearing Clerk
U.S. EPA - Region 4
61 Forsyth Street
Atlanta, Georgia 30303

Floyd Ledbetter
Air Enforcement - 12th floor
U.S. EPA - Region 4
61 Forsyth Street
Atlanta, Georgia 30303

Saundi Wilson
U.S. EPA - Region 4
61 Forsyth Street
Atlanta, Georgia 30303

22. For the purposes of state and federal income taxation, Respondent shall not be entitled, and agrees not to attempt, to claim a deduction for the civil penalty payment made pursuant to Paragraph 19 of this CAFO.

23. Pursuant to 31 U.S.C. § 3717, EPA is entitled to assess interest and penalties on debts owed to the United States and a charge to cover the cost of processing and handling a delinquent claim. Interest will therefore begin to accrue on the civil penalty from the date of entry of this CAFO, if the penalty is not paid by the date required. Interest will be assessed at the rate of the United States Treasury tax and loan rate in accordance with 31 U.S.C. § 3717. A charge will be assessed to cover the costs of debt collection, including processing and handling costs and attorney fees. In addition, a penalty charge of 6 percent per year compounded annually will be assessed on any portion of the debt that remains delinquent more than ninety (90) days after payment is due.

24. Complainant and Respondent shall bear their own costs and attorney fees in this matter.

25. This CAFO shall be binding upon the Respondent, its successors and assigns.

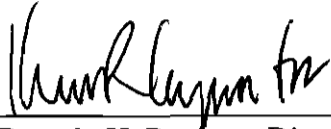
26. Each undersigned representative of the parties to this CAFO certifies that he/she is fully authorized by the party represented to enter into this CAFO and legally bind that party to it.

VI. Effective Date

27. The effective date of this CAFO shall be the date on which the CAFO is filed with the Regional Hearing Clerk.

AGREED AND CONSENTED TO:

FOR COMPLAINANT:



Beverly H. Banister, Director
Air Pesticides and Toxics
Management Division
U.S. Environmental Protection
Agency, Region 4

Date: 12/5/08

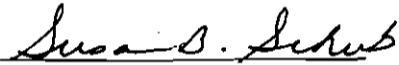
FOR RESPONDENT:

 1-12-09

Print Name & Title
Brittany Blackledge 1-12-09
Blackledge Emulsions, Inc.

Date: _____

APPROVED AND SO ORDERED this 22nd day of January, 2009.



Susan B. Schub
Regional Judicial Officer
EPA, Region 4

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and correct copy of the foregoing Consent Agreement and Final Order, In the matter of Blacklidge Emulsions Docket No. CAA-04-2009-1502(b), on the parties listed below in the manner indicated:

Floyd Ledbetter
U.S. EPA, Region 4
Air, Pesticides, and Toxics
Management Division
61 Forsyth St., SW
Atlanta, GA 30303

(Via EPA's internal mail)

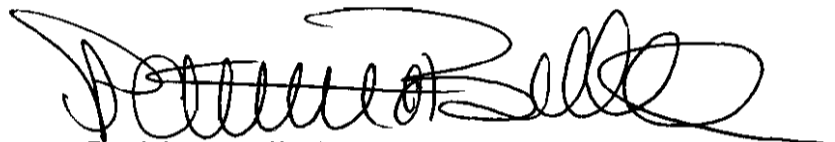
Vera Kornylak
U.S. EPA, Region 4
Office of Environmental Accountability
61 Forsyth St., SW
Atlanta, GA 30303

(Via (EPA's internal mail)

(Respondent)
Mr. Scott Watson, V.P.
Blacklidge Emulsions, Inc.
828 B Pass Rd
Gulfport, MS 39501

(Via Certified Mail - Return Receipt
Requested)

Date: 1-23-09



Patricia A. Bullock
Regional Hearing Clerk
United States Environmental
Protection Agency, Region 4
Atlanta Federal Center
61 Forsyth Street, S.W.
Atlanta, GA 30303
(404) 562-9511

EPA ACCOUNTS RECEIVABLE CONTROL NUMBER FORM

TO BE COMPLETED BY THE ORIGINATING OFFICE:

(Attach a copy of the final order and transmittal letter to Defendant/Respondent)

This form was originated by: Saundi Wilson on 1/21/09
(Name) (Date)

in the Region 4, ORC, OEA at (404) 562-9504
(Office) (Telephone Number)

- | | |
|--|--|
| <input type="checkbox"/> Non-SF Judicial Order/Consent Decree
USAO COLLECTS | <input checked="" type="checkbox"/> Administrative Order/Consent Agreement
FMO COLLECTS PAYMENT |
| <input type="checkbox"/> SF Judicial Order/Consent Decree
DOJ COLLECTS | <input type="checkbox"/> Oversight Billing - Cost Package required:
Sent with bill |
| <input type="checkbox"/> Other Receivable | <input type="checkbox"/> Not sent with bill |
| <input type="checkbox"/> This is an original debt | <input type="checkbox"/> Oversight Billing - Cost Package not required |
| | <input type="checkbox"/> This is a modification |

PAYEE: Blackledge Emulsions Inc
(Name of person and/or Company/Municipality making the payment)

The Total Dollar Amount of the Receivable: \$ 7,069
(If installments, attach schedule of amounts and respective due dates. See Other side of this form.)

The Case Docket Number: CAA 04 2009 1502 (b)

The Site Specific Superfund Account Number: _____

The Designated Regional/Headquarters Program Office: _____

The IFMS Accounts Receivable Control Number is: _____ Date _____

If you have any questions, please call: _____ of the Financial Management Section at: _____

DISTRIBUTION:

A. JUDICIAL ORDERS: Copies of this form with an attached copy of the front page of the **FINAL JUDICIAL ORDER** should be mailed to:

- | | |
|--|---|
| 1. Debt Tracking Officer
Environmental Enforcement Section
Department of Justice RM 1647
P.O. Box 7611, Benjamin Franklin Station
Washington, D.C. 20044 | 2. Originating Office (EAD)
3. Designated Program Office |
|--|---|

B. ADMINISTRATIVE ORDERS: Copies of this form with an attached copy of the front page of the Administrative Order should be to:

- | | |
|--|---|
| 1. Originating Office
2. Regional Hearing Clerk | 3. Designated Program Office
4. Regional Counsel (EAD) |
|--|---|