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U.S. EPA REGION IX  
REGIONAL HEARING CLET.

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7 UNITED STATES  
ENVIRONMENTAL PROTECTION AGENCY  
8 REGION IX  
75 HAWTHORNE STREET  
9 SAN FRANCISCO, CA 94105

10 In the Matter of: )  
11 ) Docket No. TSCA-9-2011-0615  
12 DAVID HOVANNISIAN D/B/A )  
JD HOME RENTALS, ) CONSENT AGREEMENT  
13 ) AND FINAL ORDER  
Respondent. ) PURSUANT TO 40 C.F.R.  
14 ) §§ 22.13 and 22.18

15 I. CONSENT AGREEMENT

16 The United States Environmental Protection Agency, Region IX  
17 ("EPA"), and David Hovannisian d/b/a JD Home Rentals  
18 ("Respondent") agree to settle this matter and consent to the  
19 entry of this Consent Agreement and Final Order ("CAFO"), which  
20 simultaneously commences and concludes this matter in accordance  
21 with 40 C.F.R. §§ 22.13(b) and 22.18(b).

22 A. AUTHORITY AND PARTIES

23 1. This is a civil administrative penalty action instituted  
24 against Respondent pursuant to Section 16(a) of the Toxic  
25 Substances Control Act ("TSCA"), 15 U.S.C. § 2615(a), for  
26 violation of Section 1018 of Title X of the Residential Lead-  
27 Based Paint Hazard Reduction Act of 1992 ("Section 1018"), 42  
28 U.S.C. § 4852d, and federal regulations promulgated to implement

1 Section 1018 at 40 C.F.R. Part 745, Subpart F, which constitutes  
2 violation of Section 409 of TSCA, 15 U.S.C. § 2689.

3 2. Complainant is the Director of the Communities and  
4 Ecosystems Division, EPA, Region IX, who has been duly delegated  
5 the authority to bring this action and to sign a consent  
6 agreement settling this action.

7 3. Respondent owns and manages residential properties in  
8 Fresno and Clovis, California and maintains an office located at  
9 2975 E. Belmont Avenue, Fresno, California.

10 B. APPLICABLE STATUTORY AND REGULATORY SECTIONS

11 4. 40 C.F.R. Part 745, Subpart F implements the provisions  
12 of Section 1018 that impose certain disclosure requirements  
13 concerning lead-based paint and/or lead-based paint hazards upon  
14 the sale or lease of target housing (the "Disclosure Rule").

15 5. "Target housing" means any housing constructed prior to  
16 1978, except housing for the elderly or persons with disabilities  
17 (unless any child who is less than 6 years of age resides or is  
18 expected to reside in such housing) or any 0-bedroom dwelling.  
19 40 C.F.R. § 745.103.

20 6. "Lessor" means any entity that offers target housing for  
21 lease, rent or sublease, including but not limited to  
22 individuals, partnerships, corporations, trusts, government  
23 agencies, housing agencies, Indian tribes, and nonprofit  
24 organizations. 40 C.F.R. § 745.103.

25 7. "Lessee" means any entity that enters into an agreement  
26  
27  
28

1 to lease, rent, or sublease target housing, including but not  
2 limited to individuals, partnerships, corporations, trusts,  
3 government agencies, housing agencies, Indian tribes, and  
4 nonprofit organizations. 40 C.F.R. § 745.103.

5 8. "Agent" means any party who enters into a contract with  
6 a seller or lessor, including any party who enters into a  
7 contract with a representative of the seller or lessor, for the  
8 purpose of selling or leasing target housing. 40 C.F.R. §  
9 745.103.  
10

11 9. Each "agent" shall ensure compliance with all  
12 requirements of the Disclosure Rule by informing the lessor of  
13 his/her obligations under the Disclosure Rule and ensuring that  
14 the lessor has performed all activities required under the  
15 Disclosure Rule or personally ensuring compliance with all of the  
16 requirements of the Disclosure Rule. 40 C.F.R. § 745.115.

17 10. Before a lessee is obligated under any contract to  
18 lease target housing, the lessor and/or agent shall disclose to  
19 the lessee the presence of any known lead-based paint and/or  
20 lead-based paint hazards in the target housing being leased. 40  
21 C.F.R. §§ 745.107(a)(2).  
22

23 11. Before a lessee is obligated under any contract to  
24 lease target housing, the lessor and/or agent shall provide the  
25 lessee with any records or reports available to the lessor  
26 pertaining to lead-based paint and/or lead-based paint hazards in  
27  
28

1 the target housing being leased. 40 C.F.R. § 745.107(a)(4).

2 12. Each contract to lease target housing shall include a  
3 statement by the lessor disclosing the presence of known lead-  
4 based paint and/or lead-based paint hazards in the target housing  
5 being leased or indicating no knowledge of the presence of lead-  
6 based paint and/or lead-based paint hazards. 40 C.F.R. §  
7 745.113(b)(2).  
8

9 13. Each contract to lease target housing shall include a  
10 list of any records or reports available to the lessor pertaining  
11 to lead-based paint and/or lead-based paint hazards in the target  
12 housing that have been provided to the lessee or indicate that no  
13 such records or reports are available. 40 C.F.R. §  
14 745.113(b)(3).  
15

16 14. Each contract to lease target housing shall include a  
17 statement by the lessee affirming receipt of the information set  
18 forth in 40 C.F.R. §§ 745.113(b)(2) and (3) and the lead hazard  
19 information pamphlet required under 15 U.S.C. § 2696. 40 C.F.R.  
20 § 745.113(b)(4).  
21

22 15. When one or more agents are involved in the transaction  
23 to lease target housing on behalf of the lessor, each contract to  
24 lease target housing shall include a statement that the agent has  
25 informed the lessor of the lessor's obligations under 42 U.S.C.  
26 4852d; and the agent is aware of his/her duty to ensure  
27 compliance with the requirements of the Disclosure Rule. 40  
28



1 C.F.R. § 745.113(b) (5).

2 16. Each contract to lease target housing shall include the  
3 signatures of the lessors, agents, and lessees certifying to the  
4 accuracy of their statements, to the best of their knowledge,  
5 along with the dates of signature. 40 C.F.R. § 745.113(b) (6).

6 17. Failure to comply with 40 C.F.R. §§ 745.10, 745.113 or  
7 745.113 is a violation of Section 409 of TSCA, 15 U.S.C. § 2689,  
8 and the penalty for each such violation shall not be more than  
9 \$11,000 for violations occurring after July 28, 1997. 40 C.F.R.  
10 §§ 745.118(e) and (f).

11  
12 C. ALLEGATIONS

13 18. EPA has jurisdiction over this matter pursuant to  
14 Section 1018.

15 19. At all times relevant to this matter, Respondent was  
16 the "lessor" and/or the "agent" of the lessor for the residential  
17 properties located at 177 N. Mariposa, 415 Broadway, 921 C  
18 Street, 929 N. Monte, 1470 E. Griffith, 2535 E. Grant and 4054 E.  
19 Dwight Way, located in Fresno, California, and 685 W. Santa Ana,  
20 691 W. Santa Ana, 695 W. Santa Ana, 699 W. Santa Ana and 1214  
21 Harvard, located in Clovis California (collectively, the  
22 "Properties"), as those terms are defined at 40 C.F.R. § 745.103.

23  
24 20. At all times relevant to this matter, the Properties  
25 were "target housing," as that term is defined at 40 C.F.R. §  
26 745.103.

1           21.    Respondent entered into fourteen (14) leases of the  
2 Properties for occupancies greater than 100 days as follows:  
3

	Street Address	City	State	Date of Lease Signing
4				
5	1 177 N. Mariposa	Fresno	CA	4/11/2006
6	2 415 Broadway	Fresno	CA	5/26/2006
7	3 685 W. Santa Ana, Apt. #108	Clovis	CA	1/19/2009
8	4 691 W. Santa Ana, Apt. #118	Clovis	CA	8/18/2008
9	5 695 W. Santa Ana	Clovis	CA	4/13/2007
10	6 699 Santa Ana, Apt. #102	Clovis	CA	3/5/2009
11	7 921 C Street	Fresno	CA	12/6/2005
12	8 929 N. Monte, Apt. D	Fresno	CA	7/28/2008
13	9 1214 Harvard, Apt. C	Clovis	CA	7/30/2008
14	10 1470 E. Griffith, Apt. #102	Fresno	CA	12/20/2008
15	11 2535 E. Grant, Apt. #4	Fresno	CA	11/16/2007
16	12 2535 E. Grant, Apt. #4	Fresno	CA	5/23/2008
17	13 2535 E. Grant, Apt. #4	Fresno	CA	8/3/2009
18	14 4054 E. Dwight Way, Apt. #105	Fresno	CA	4/7/2008

19           22.    In a letter addressed to Respondent dated August 7,  
20 2002, addressed to Respondent, the Fresno County Department of  
21 Community Health Childhood Lead Poisoning Prevention Program  
22 ("Fresno County CLPPP") informed Respondent of the presence of  
23 lead-based paint and/or lead-based paint hazards at the  
24 residential property located at 921 C Street, Fresno, California.

25           23.    In a letter addressed to Respondent dated July 15,  
26 2005, the Fresno County CLPPP informed Respondent of the presence  
27 of lead-based paint and/or lead-based paint hazards at the  
28 residential property located at 2535 E. Grant St, Fresno,  
California.



1 an attachment to the leases or within the leases, a statement by  
2 Respondent disclosing the presence of known lead-based paint  
3 and/or lead-based paint hazards in the units being leased or  
4 indicating no knowledge of the presence of lead-based paint  
5 and/or lead-based paint hazards, as required by 40 C.F.R. §  
6 745.113(b) (2).

7  
8 28. For the April 13, 2007 lease for 695 W. Santa Ana,  
9 Clovis, California; and the April 7, 2008 lease for 4054 E.  
10 Dwight Way, Apt. #105, Fresno, California, Respondent failed to  
11 include, as an attachment to the leases or within the leases, a  
12 list of any records or reports available to Respondent pertaining  
13 to lead-based paint and/or lead-based paint hazards in the units  
14 that had been provided to the lessees or an indication that no  
15 such records or reports are available, as required by 40 C.F.R. §  
16 745.113(b) (3).

17 29. For the November 16, 2007 lease for 2535 E. Grant, Apt.  
18 #4, Fresno, California; and the July 30, 2008 lease for the  
19 rental of 1214 Harvard, Apt. C, Clovis, California, Respondent  
20 failed to include, as an attachment to the leases or within the  
21 leases, a statement by the lessees affirming receipt of the  
22 information set forth in 40 C.F.R. §§ 745.113(b) (2) and (3) and  
23 the lead hazard information pamphlet required under 15 U.S.C. §  
24 2696, as required by 40 C.F.R. § 745.113(b) (4).  
25  
26  
27  
28

1           30. For the May 26, 2006 lease for 415 Broadway, Fresno,  
2 California; January 19, 2009 lease for 685 W. Santa Ana, Apt.  
3 #108, Clovis, California; August 18, 2008 lease for 691 W. Santa  
4 Ana, Apt. #118, Clovis, California; March 5, 2009 lease for 699  
5 W. Santa Ana, Apt. #102, Clovis, California; July 28, 2008 lease  
6 for 929 N. Monte, Apt. D, Fresno, California; and April 7, 2008  
7 lease for 4054 E. Dwight Way, Apt. #105, Fresno, California,  
8 Respondent as an agent of the owner for each of these properties  
9 failed to include, as an attachment to the leases or within the  
10 leases, statements indicating that he has informed the lessor of  
11 obligations under 42 U.S.C. 4852d and that the he is aware of his  
12 duty as an agent to ensure compliance with requirements of the  
13 Disclosure Rule, as required by 40 C.F.R. § 745.113(b) (5).  
14

15           31. For the April 11, 2006 lease for 177 N. Mariposa,  
16 Fresno, California; May 26, 2006 lease for 415 Broadway, Fresno,  
17 California; December 6, 2005 lease for 921 C Street, Fresno,  
18 California; July 28, 2008 lease for 929 N. Monte, Apt. D, Fresno,  
19 California; July 30, 2008 lease for 1214 Harvard, Apt. C, Clovis,  
20 California; December 30, 2008 lease for 1470 E. Griffith, Apt.  
21 #102, Fresno, California; November 16, 2007 and August 3, 2009  
22 leases for 2535 E. Grant, Apt. #4, Fresno, California; and April  
23 7, 2008 lease for 4054 E. Dwight Way, Apt. #105, Fresno,  
24 California, Respondent failed to include, as an attachment to the  
25 leases or within the leases, the signatures of Respondent and the  
26  
27  
28

1 lessees certifying to the accuracy of their statements, to the  
2 best of their knowledge, along with the dates of signature, as  
3 required by 40 C.F.R. § 745.113(b) (6).

4 32. Respondent's failures to comply with 40 C.F.R. §§  
5 745.107 and 745.113, as set forth in Paragraphs 25 through 31,  
6 constitute 31 violations of Section 409 of TSCA, 15 U.S.C. §  
7 2689, each of which can be assessed a penalty of up to \$11,000.  
8

9 D. RESPONDENT'S ADMISSIONS

10 33. In accordance with 40 C.F.R. § 22.18(b) (2) and for the  
11 purpose of this proceeding, Respondent (i) admits that EPA has  
12 jurisdiction over the subject matter of this CAFO and over  
13 Respondent; (ii) neither admits nor denies the specific factual  
14 allegations contained in Section I.C of this CAFO; (iii) consents  
15 to any and all conditions specified in this CAFO and to the  
16 assessment of the civil administrative penalty under Section I.F  
17 of this CAFO; (iv) waives any right to contest the allegations  
18 contained in Section I.C of this CAFO; and (v) waives the right  
19 to appeal the proposed final order contained in this CAFO.  
20

21 E. PERFORMANCE OF SUPPLEMENTAL ENVIRONMENTAL PROJECT

22 34. Within twelve (12) months of the effective date of this  
23 CAFO, as a Supplemental Environmental Project ("SEP"), Respondent  
24 shall replace windows coated with or otherwise containing lead-  
25 based paint at the properties identified in Appendix A ("SEP  
26 Properties").  
27

1  
2 35. All work on the SEP must be conducted in compliance  
3 with 40 C.F.R. § 745.227, and the HUD Guidelines, and executed by  
4 individuals authorized to perform such work in accordance with  
5 applicable Federal and California law. Respondent shall also  
6 comply, and shall ensure contractor compliance, with any State,  
7 County, and/or City requirements for conducting and/or reporting  
8 lead-based paint inspections and lead hazard reduction work in  
9 effect in a jurisdiction where a Subject Property is located,  
10 including but not limited to, 17 California Code of Regulations  
11 §§ 36000 -36100.

12 36. Within the timeframe set forth in Paragraph 35, and  
13 subject to any modification allowed by Paragraph 41, Respondent  
14 shall perform each of the following tasks on SEP Properties:

15 i. Starting with the first Subject Property on the list  
16 contained in Appendix A and moving down the list, prior to  
17 performing activities specified in Paragraph 36.ii, have a  
18 certified lead inspector perform lead-based paint inspections of  
19 windows (including the window frame) consistent with 40 C.F.R. §  
20 745.227(b), Chapter 5 and Chapter 7 of the HUD Guidelines, and 17  
21 California Code of Regulations §§ 36000-36100.

22 ii. Starting with the first Subject Property on the list  
23 contained in Appendix A and moving down the list, until all funds  
24 identified in Paragraph 37 have been expended, replace all  
25 windows at each Subject Property (including the window frames)  
26 that contain lead-based paint, consistent with Chapter 12 of the  
27

1 HUD Guidelines and 17 California Code of Regulations §§ 36000-  
2 36100. The components to be replaced include, at a minimum, the  
3 entire window, trim (or stools and troughs), sashes and casings.  
4 The replacement windows must be ENERGY STAR qualified for the  
5 South-Central climate zone. In performing this work, Respondent  
6 shall comply with the following:

7 (1) Worksite preparation and occupant protection  
8 measures in accordance with Chapter 8 of the HUD Guidelines;

9 (2) Performance of daily and final cleanups in  
10 accordance with Chapter 14 of the HUD Guidelines;

11 (3) Performance of clearance inspections after  
12 completion of window replacement work and final cleanup for each  
13 Subject Property in accordance with Chapter 15 of the HUD  
14 Guidelines. The certified lead inspector performing clearance  
15 inspections shall be either a certified lead Inspector/Assessor  
16 or a certified Project Monitor, as defined by California Code of  
17 Regulations Title 17, Article 1, and may not be the same  
18 individual nor have any business connection with the certified  
19 contractor that performed the window replacement work. If the  
20 results of any clearance inspection indicate that clearance is  
21 not achieved, Respondent shall re-perform the final cleanup,  
22 consistent with Chapter 14 of the HUD Guidelines, and repeat the  
23 clearance inspection, all within seven (7) days of the failed  
24 clearance inspection, and repeat this procedure until clearance  
25 has been attained; and  
26



1 (4) Prepare a certification for each Subject  
2 Property where work was performed confirming that all lead-based  
3 paint containing windows have been replaced in accordance with  
4 the HUD Guidelines and the requirements of this CAFO, and submit  
5 to CDPH Form 8552, the Lead Hazard Evaluation Report, for each  
6 Subject Property within thirty days (30) days of completion of  
7 the clearance inspection on that Subject Property.  
8

9 37. In performing the work under this SEP, Respondent shall  
10 incur a minimum of SIXTY-SEVEN THOUSAND FIVE HUNDRED DOLLARS  
11 (\$67,500) for the SEP.

12 38. Quarterly Reports: Ninety (90) days after the effective  
13 date of this CAFO and every three (3) months thereafter until all  
14 of the tasks listed in Paragraphs 34-37 have been performed,  
15 Respondent shall submit to EPA a report that includes information  
16 required under 40 C.F.R. § 745.227(e)(10) for the work performed  
17 on each Subject Property since the time of the immediate prior  
18 report, including the following:

19 i. Description and results of all lead-based paint  
20 inspections of windows performed pursuant to Paragraph 36.i;

21 ii. Brief description and status of the work  
22 undertaken during the reporting period;

23 iii. Copies of all descriptions of the work performed  
24 provided by the contractor performing the work, including  
25 identifying the specific windows replaced and the work  
26 practice(s) used;



1           41. Respondent shall include the following certification in  
2 each report submitted pursuant to Paragraphs 38 and 39:  
3

4           I certify that I was not required to perform any of the  
5 lead-based paint abatement or mitigation work described  
6 in this report by any law, regulation, grant, order, or  
7 agreement. I further certify that I have not utilized,  
8 and am not currently negotiating to utilize, the work  
9 that was performed in this report as grounds for  
10 settlement in any other enforcement action.

11           During the implementation of the SEP, if Respondent determines  
12 that any of the SEP work for any specific Property, or portion  
13 thereof, included in Appendix A is otherwise required by any law,  
14 regulation, grant, order, or agreement, he may elect not to  
15 perform that SEP work for that particular Property or portion of  
16 that Property. Respondent shall notify EPA of his election under  
17 this Paragraph not to perform the SEP work on that particular  
18 Property or portion thereof through the reports submitted  
19 pursuant to Paragraphs 38 and 39, and describe the basis for the  
20 election as well as how any identified lead-based paint  
21 hazards are otherwise being abated.

22           42. The expenditures made by Respondent in implementing the  
23 SEP are, for purposes of federal law, neither tax-deductible  
24 expenditures nor eligible to be added to the basis of assets or  
25 property for depreciation purposes. The Respondent shall not use  
26 any expenditure associated with the SEP to obtain favorable  
27 federal tax treatment (e.g., tax credits for ENERGY STAR  
28 qualified windows associated with the SEP).

1 43. Any public statement, oral or written, in print, film,  
2 or other media, made by a representative of Respondent or  
3 Respondent on Respondent's initiative, making reference to the  
4 SEP, must include the following language, "This project was  
5 undertaken in connection with the settlement of an enforcement  
6 action taken by the U.S. Environmental Protection Agency for  
7 alleged violations of the Toxic Substances Control Act and  
8 Federal lead-based paint disclosure requirements."  
9

10 44. All submittals required to be made pursuant to Section  
11 I.E of this CAFO shall be sent by overnight mail, with confirmation  
12 of receipt, or certified mail, return receipt requested, to:

13 Manager  
14 Toxics Office (CED-4)  
15 Communities and Ecosystems Division  
16 U.S. Environmental Protection Agency, Region IX  
17 75 Hawthorne Street  
18 San Francisco, CA 94105

19 45. All notices, records, and submittals required by this  
20 CAFO that purport to document compliance with the terms of this  
21 CAFO shall contain a certification statement signed by  
22 Respondent. The certification statement should be as follows:

23 I certify under penalty of law that the  
24 information contained in or accompanying this  
25 document is true, accurate, and complete. As  
26 to the identified portion[s] of this document  
27 for which I cannot personally verify  
28 [its/their] truth and accuracy, I certify  
that, based on my inquiry of the person or  
persons directly responsible for gathering the  
information, the information is true,  
accurate, and complete.

1           46. The Respondent shall further certify in all  
2 notices, records, and submittals required by this CAFO  
3 that purport to document compliance with the terms of  
4 this CAFO that the work performed under this SEP is not  
5 already being funded, and shall not be funded, by  
6 another federal agency, nor has been proposed for such  
7 assistance within the past two years. The  
8 certification statement should be as follows:  
9

10           I certify that I am not a party to any open  
11 federal financial assistance transaction that  
12 is funding or could be used to fund the same  
13 activity as the SEP. I further certify that,  
14 to the best of my knowledge and belief after  
15 reasonable inquiry, there is no such open  
16 federal financial assistance transaction that  
17 is funding or could be used to fund the same  
18 activity as the SEP, nor has the same activity  
19 been described in an unsuccessful federal  
20 financial assistance transaction proposal  
21 submitted to EPA within two years of the date  
22 of this settlement (unless the project was  
23 barred as statutorily ineligible). For the  
24 purposes of this certification, the term "open  
25 federal financial assistance transaction"  
26 refers to a grant, cooperative agreement,  
27 loan, federally-guaranteed loan guarantee or  
28 other mechanism for providing federal  
financial assistance whose performance period  
has not yet expired.

23           F. CIVIL ADMINISTRATIVE PENALTY

24           47. Based upon the nature of the alleged  
25 violations, Respondent's agreement to perform lead  
26 hazard abatement work, and other relevant factors, the  
27  
28

1 parties have agreed that a civil penalty in the amount  
2 of SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$7,500) is  
3 appropriate to settle this enforcement action.

4 Respondent hereby consents to the assessment of this  
5 civil penalty, in conjunction with performance of the  
6 tasks set forth in Section I.E of this CAFO, as full,  
7 final, and complete settlement of the civil claims  
8 alleged in Section I.C of this CAFO.  
9

10 48. Respondent shall pay the assessed penalty no  
11 later than thirty (30) days from the effective date of  
12 this CAFO. Payment shall be made by cashier's or  
13 certified check payable to the "Treasurer, United  
14 States of America," and shall be sent by overnight  
15 mail, with confirmation of receipt, or certified mail,  
16 return receipt requested, to the following address:  
17

18 U.S. Environmental Protection Agency  
19 Fines and Penalties  
20 Cincinnati Finance Center  
P.O. Box 979078  
St. Louis, MO 63197-9000

21 The payment shall be accompanied by a transmittal letter  
22 identifying the case name, the case docket number, and  
23 this CAFO. Concurrent with delivery of the payment of  
24 the penalty, Respondent shall send a copy of the check  
25 and transmittal letter to the following addresses:  
26

27 Regional Hearing Clerk

1 Office of Regional Counsel (ORC-1)  
2 U.S. Environmental Protection Agency,  
3 Region IX  
4 75 Hawthorne Street  
5 San Francisco, CA 94105

6 Manager  
7 Toxics Office (CED-4)  
8 Communities and Ecosystems Division  
9 U.S. Environmental Protection Agency,  
10 Region IX  
11 75 Hawthorne Street  
12 San Francisco, CA 94105

13 49. Payment of the above civil administrative  
14 penalty shall not be used as a tax deduction from  
15 Respondent's federal, state, or local taxes.

16 G. RETENTION OF RIGHTS

17 50. In accordance with 40 C.F.R. § 22.18(c), this  
18 CAFO only resolves Respondent's liability for federal  
19 civil penalties for the violations and facts  
20 specifically alleged in Section III of this CAFO.  
21 Nothing in this CAFO is intended to or shall be  
22 construed to resolve (i) any civil liability for  
23 violations of any provision of any federal, state, or  
24 local law, statute, regulation, rule, ordinance, or  
25 permit not specifically alleged in Section I.C of this  
26 CAFO; or (ii) any criminal liability. EPA specifically  
27 reserves any and all authorities, rights, and remedies  
28 available to it (including, but not limited to,  
injunctive or other equitable relief or criminal  
sanctions) to address any violation of this CAFO or any

1 violation not specifically alleged in Section I.C of  
2 this CAFO.

3 51. This CAFO does not exempt, relieve, modify, or  
4 affect in any way Respondent's duty to comply with all  
5 applicable federal, state, and local laws, regulations,  
6 rules, ordinances, and permits.

7  
8 H. STIPULATED PENALTIES

9 52. If Respondent fails to complete the SEP in a  
10 timely and satisfactory manner consistent with the  
11 terms of Section I.E of this CAFO, Respondent agree to  
12 pay to EPA a stipulated penalty in the amount of  
13 \$67,500.

14 53. If Respondent spends less than 100 percent of  
15 the minimum amount required to be spent on the SEP as  
16 set forth in Paragraph 37 by the deadline set forth in  
17 Paragraph 34, but otherwise complies with the terms of  
18 the SEP, Respondent shall remit to EPA, as a stipulated  
19 penalty, the difference between \$67,500 and the actual  
20 costs incurred, within thirty (30) days of the  
21 completion of the SEP.

22 54. If Respondent fails to pay the assessed civil  
23 administrative penalty specified in Paragraph 47 by the  
24 deadline specified in Paragraph 48, Respondent shall  
25 pay to EPA a stipulated penalty of \$250 per day for  
26 each day the assessed penalty is late, in addition to  
27



1 the assessed penalty. Stipulated penalties shall be  
2 paid upon written request by EPA. In addition, failure  
3 to pay the civil administrative penalty by the deadline  
4 specified in Paragraph 48 may lead to any or all of the  
5 following actions:

6 i. The debt being referred to a credit  
7 reporting agency, a collection agency, or to the  
8 Department of Justice for filing of a collection action  
9 in the appropriate United States District Court. 40  
10 C.F.R. §§ 13.13, 13.14, and 13.33. In any such  
11 collection action, the validity, amount, and  
12 appropriateness of the assessed penalty and of this  
13 CAFO shall not be subject to review.

14 ii. The debt being collected by  
15 administrative offset (i.e., the withholding of money  
16 payable by the United States to, or held by the United  
17 States for, a person to satisfy the debt the person  
18 owes the Government), which includes, but is not  
19 limited to, referral to the Internal Revenue Service  
20 for offset against income tax refunds. 40 C.F.R. Part  
21 13, Subparts C and H.

22 iii. EPA may (i) suspend or revoke  
23 Respondent's licenses or other privileges; or (ii)  
24 suspend or disqualify Respondent from doing business  
25 with EPA or engaging in programs EPA sponsors or funds.  
26

1 40 C.F.R. § 13.17.

2           iv. In accordance with the Debt Collection  
3 Act of 1982 and 40 C.F.R. Part 13 interest, penalty  
4 charges, and administrative costs will be assessed  
5 against the outstanding amount that Respondent owes to  
6 EPA for Respondent's failure to pay the civil  
7 administrative penalty by the deadline specified in  
8 Paragraph 48. Interest will be assessed at an annual  
9 rate that is equal to the rate of current value of  
10 funds to the United States Treasury (i.e., the Treasury  
11 tax and loan account rate) as prescribed and published  
12 by the Secretary of the Treasury in the Federal  
13 Register and the Treasury Fiscal Requirements Manual  
14 Bulletins. 40 C.F.R. § 13.11(a)(1). Penalty charges  
15 will be assessed monthly at a rate of 6% per annum. 40  
16 C.F.R. § 13.11(c). Administrative costs for handling  
17 and collecting Respondent's overdue debt will be based  
18 on either actual or average cost incurred, and will  
19 include both direct and indirect costs. 40 C.F.R. §  
20 13.11(b). In addition, if this matter is referred to  
21 another department or agency (e.g., the Department of  
22 Justice, the Internal Revenue Service), that department  
23 or agency may assess its own administrative costs, in  
24 addition to EPA's administrative costs, for handling  
25 and collecting Respondent's overdue debt.  
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1 non-identical copies of all records and documents  
2 (including records or documents in electronic form) in  
3 its or its contractors' or agents' possession or  
4 control, or that come into its or its contractors' or  
5 agents' possession or control, and that relate in any  
6 manner to Respondent's performance of its obligations  
7 under this CAFO, for a period of at least 3 years from  
8 when the record or document was created. At any time  
9 during this record-retention period, EPA may request  
10 copies of any documents or records required to be  
11 maintained under this Paragraph. Respondent shall  
12 provide the requested documentation not more than  
13 fifteen (15) days after a request for such information  
14 by EPA.  
15

16 61. Nothing in this CAFO is intended to nor shall  
17 be construed to operate in any way to resolve any  
18 criminal liability of the Respondent. Nothing in this  
19 CAFO shall prevent EPA from taking any necessary action  
20 to address conditions which may present an imminent and  
21 substantial endangerment to public health or the  
22 environment. Nothing in this CAFO shall be construed  
23 to limit the authority of EPA to undertake any action  
24 against Respondent for violations not identified in  
25 Section III of this CAFO or for future violations of  
26 the Act or TSCA or any other violations within EPA's  
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1 jurisdiction. EPA reserves any and all rights and  
2 remedies available to it to enforce the provisions of  
3 this CAFO, TSCA, Section 1018, and the Disclosure Rule,  
4 following the issuance of this CAFO.

5 62. This CAFO shall apply to and be binding upon  
6 Respondent, his heirs, employees, agents, trustees,  
7 servants, authorized representatives, successors and  
8 assigns.

9 63. Each party shall bear its own costs and  
10 attorneys fees in the action resolved by this CAFO.

11 64. This CAFO shall not relieve Respondent of its  
12 obligation to comply with all applicable provisions of  
13 federal, state or local law, nor shall it be construed  
14 to be a ruling on, or determination of, any issue  
15 related to any federal, state or local permit.

16 65. All correspondence from EPA to Respondent  
17 shall be addressed to:

18  
19 David Hovannisian  
20 JD Home Rentals  
21 2975 E. Belmont Avenue  
22 Fresno, CA 93701-2553

23 with a copy to:


24 William C. Haesy, Esq.  
25 225 W. Shaw Ave, Suite 105  
26 Fresno, California 93704  
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1 FOR RESPONDENT, DAVID HOVANNISIAN D/B/A JD HOME RENTALS  
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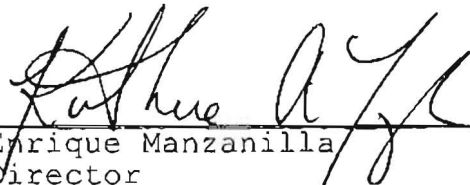
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1 FOR COMPLAINANT, EPA REGION IX:  
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4 9/30/11  
5 DATE

  
6 Enrique Manzanilla  
7 Director  
8 Communities and Ecosystems Division  
9 U.S. ENVIRONMENTAL PROTECTION  
10 AGENCY REGION IX  
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1 IN RE DAVID HOVANNISIAN D/B/A JD HOME RENTALS  
2 APPENDIX A  
3 SEP Properties

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CITY	PROPERTY ADDRESS	YR. BUILT
Fresno	921 C St.	1906
Fresno	2535 E. Grant Ave.	1928
Fresno	4054 E. Dwight Way	1950
Fresno	415 Broadway St.	1923
Fresno	287 N. Echo Ave.	1917
Fresno	201 N. Clark St.	1915
Fresno	272-278 N. Calaveras St.	1920
Fresno	834 E. Voorman Ave.	1920
Fresno	2625 E. Washington Ave.	1920
Fresno	350 N. Poplar Ave.	1920
Fresno	402 N. Calaveras St.	1923
Lemoore	252 Skaggs St.	1925
Fresno	326 S. Dearing Ave.	1939
Clovis	1232 Harvard Ave.	1939

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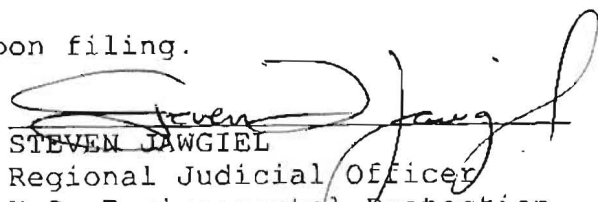
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II. FINAL ORDER

\_\_\_\_\_ Complainant and Respondent, having entered into the foregoing Consent Agreement,

IT IS HEREBY ORDERED that this CAFO (Docket No. TSCA-9-2011-00 15) be entered, and that Respondent shall pay a civil administrative penalty in the amount of SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$7,500.00) and perform the project set forth in Section I.E of the Consent Agreement in accordance with the terms and conditions set forth in the Consent Agreement. This Consent Agreement and Final Order shall become effective upon filing.

09/30/11  
DATE

  
STEVEN JAWGIEL  
Regional Judicial Officer  
U.S. Environmental Protection  
Agency, Region IX

CERTIFICATE OF SERVICE

I certify that the original of the fully executed Consent Agreement and Final Order against **JD Home Rentals (Docket #: TSCA-09-2011-0015)** was filed with the Regional Hearing Clerk, U.S. EPA, Region IX, 75 Hawthorne Street, San Francisco, CA 94105, and that a true and correct copy of the same was sent to the following parties:

A copy was mailed via CERTIFIED MAIL to:

Mr. David Hovannisian  
JD Home Rentals  
2975 E. Belmont Avenue  
Fresno, CA 93701-2553

**CERTIFIED MAIL NUMBER:** 7010-1060-0002-0242-7895

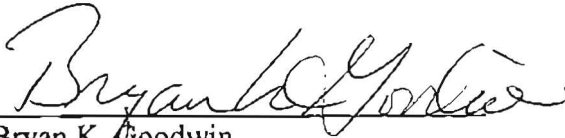
An additional copy was mailed via CERTIFIED MAIL to:

Mr. William C. Hahesy  
225 W. Shaw Avenue, Ste. 105  
Fresno, CA 93704

**CERTIFIED MAIL NUMBER:** 7010-1060-0002-0242-9314

An additional copy was hand-delivered to the following U.S. EPA case attorney:

Ivan Lieben, Esq.  
Office of Regional Counsel  
U.S. EPA, Region IX  
75 Hawthorne Street  
San Francisco, CA 94105

  
Bryan K. Goodwin  
Regional Hearing Clerk  
U.S. EPA, Region IX

9/30/11  
Date



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION IX  
75 Hawthorne Street  
San Francisco, CA 94105

**By Certified Mail, Return Receipt Requested: 7010 1060 0002 0242 9895**

Mr. David Hovannisian  
JD Home Rentals  
2975 E. Belmont Avenue  
Fresno, CA 93701-2553

SEP 30 2011

Re: In the Matter of David Hovannisian and JD Home Rentals  
Consent Agreement and Final Order

Docket No. TSCA-09-2011-0015  
Date: 9/21/11

Dear Respondent:

Enclosed please find your copy of the fully executed Consent Agreement and Final Order which contains the terms of the settlement reached with EPA Region 9. Your completion of all actions enumerated in the Consent Agreement and Final Order will close this case.

If you have any questions, please contact Max Weintraub at 415-947-4163.

Sincerely,

A handwritten signature in black ink, appearing to read "Enrique Manzanilla".

Enrique Manzanilla  
Director  
Communities and Ecosystems Division

Enclosures