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October 23 , 2008

VIA FEDERAL EXPRESS

Karen Maples
Regional Hearing Clerk
U.S. Environmental Protection Agency, Region 2
290 Broadway, 16th Floor
New York, New York 10007-1866

U.S. ENVIRONMENTAL
PROTECTION AGENCY-REG. II
2008 OCT 24 PM 12:06
REGIONAL HEARING
CLERK

Re: *In the Matter of Wallace Silversmiths de Puerto Rico, Ltd.*
Docket No.: RCRA-02-2008-7109
Our File No.: 04693.74679

Dear Ms. Maples:

Our firm represents Wallace Silversmiths de Puerto Rico, Ltd. in the above-referenced matter. Our client received the Complaint, Compliance Order and Notice of Opportunity for Hearing regarding this matter on or about September 26, 2008. Enclosed please find one (1) original and one (1) copy of Wallace Silversmiths de Puerto Rico, Ltd.'s Answer to Complaint and Request for Hearing and one (1) original Certificate of Service.

Please contact me with any questions regarding this matter.

Very truly yours,



Thomas Spiesman

SMS/TS:srj
Enclosures

cc: Dore LaPosta, Director, Division of Enforcement and Compliance Assistance, USEPA, Region 2 (w/ encls. via Federal Express)
Sara Shindel, Esq., Lifetime Brands, Inc. (w/ encls. via E-mail)

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PORZIO, BROMBERG & NEWMAN

A Professional Corporation
100 Southgate Parkway
Morristown, New Jersey 07962-1997
(973) 538-4006
Attorneys for Wallace Silversmiths de Puerto Rico Ltd.

IN THE MATTER OF:

**WALLACE SILVERSMITHS de PUERTO
RICO LTD.**

RESPONDENT.

**Proceeding under Sections 3008 of the Solid
Waste Disposal Act, as amended.**

UNITED STATES ENVIRONMENTAL
PROTECTION AGENCY REGION 2

**ANSWER TO COMPLAINT AND
REQUEST FOR ADMINISTRATIVE
HEARING**

Docket No.: RCRA-02-2008-7109

To: Karen Maples
Regional Hearing Clerk
U.S. Environmental Protection Agency, Region 2
290 Broadway, 16th floor
New York, New York 10007-1866

cc: Dore LaPosta, Director
Division of Enforcement and Compliance Assistance
United States Environmental Protection Agency
Region 2
290 Broadway
New York, New York 1007-1866

Respondent, Wallace Silversmiths de Puerto Rico Ltd. (“Wallace” or “Respondent”), by and through their attorneys, Porzio, Bromberg & Newman, P.C., by way of Answer to the Complaint, state as follows:

JURISDICTION

1. Respondent admits the allegations contained in Paragraph 1 of the Complaint.

NOTICE

2. Respondent is without knowledge or information sufficient to form a belief as to the truth of the allegation contained in Paragraph 2 of the Complaint.

RESPONDENT

3. Respondent admits the allegations contained in Paragraph 3 of the Complaint. Further, Wallace is an exempted company incorporated in the Cayman Islands.

4. Respondent admits the allegations contained in Paragraph 4 of the Complaint.

5. Respondent is without knowledge or information sufficient to form a belief as to the truth of Respondent’s predecessor’s, Wallace International de P.R., Inc., operations at the facility, but admits the remaining allegations in Paragraph 5 of the Complaint.

6. Respondent admits that Wallace has been conducting manufacturing operations at the Calle B San German facility since approximately April 27, 2006, which includes the casting and finishing of table silverware and flatware in two buildings at the facility, but is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in Paragraph 6 of the Complaint.

GENERAL ALLEGATIONS

7. Respondent asserts that the statute and regulations referenced in Paragraph 7 of the Complaint speak for themselves. To the extent that a response by Respondent is necessary, Respondent denies the allegations contained in Paragraph 7 of the Complaint.

8. Respondent asserts that the statute and regulations referenced in Paragraph 8 of the Complaint speak for themselves. To the extent that a response by Respondent is necessary, Respondent denies the allegations contained in Paragraph 8 of the Complaint.

9. Respondent asserts that the statute and regulations referenced in Paragraph 9 of the Complaint speak for themselves. To the extent that a response by Respondent is necessary, Respondent denies the allegations contained in Paragraph 9 of the Complaint.

10. Respondent denies the allegations contained in Paragraph 10 of the Complaint.

11. Respondent denies the allegations contained in Paragraph 11 of the Complaint.
12. Respondent denies the allegations contained in Paragraph 12 of the Complaint.
13. Respondent is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 13 of the Complaint.
14. Respondent is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 14 of the Complaint.
15. Respondent admits all allegations contained in Paragraph 15 of the Complaint.
16. Respondent admits allegations contained in Paragraph 16 of the Complaint.
17. Respondent asserts that the regulations referenced in Paragraph 17 of the Complaint speak for themselves. To the extent that a response by Respondent is necessary, Respondent denies the allegations contained in Paragraph 17 of the Complaint.
18. Respondent admits that it has not submitted a Part A or Part B of a RCRA permit application to EPA regarding the San German facility, but is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in Paragraph 18 of the Complaint. Respondent further asserts that neither a Part A or Part B RCRA permit or permit applications are required for the operations conducted at the San German facility.
19. Respondent admits allegations contained in Paragraph 19 of Complaint that pertain to the Respondent, but is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in Paragraph 19 of the Complaint as related to its predecessor. Respondent further asserts that neither a permit or interim status qualification is required for the operations conducted at the San German facility.
20. Respondent asserts that the regulations referenced in Paragraph 20 of the Complaint speak for themselves. To the extent that a response by Respondent is necessary, Respondent denies the allegations contained in Paragraph 20 of the Complaint.
21. Respondent denies the allegations contained in Paragraph 21 of the Complaint.
22. Respondent asserts that the regulations referenced in Paragraph 22 of the Complaint speak for themselves. To the extent that a response by Respondent is necessary, Respondent denies the allegations contained in Paragraph 22 of the Complaint.

EPA Investigative and Enforcement Activities

23. Respondent admits that EPA conducted an inspection of the facility on or about July 26 and 27, 2006, but is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in Paragraph 23 of the Complaint.
24. Respondent admits that EPA issued Respondent a Request for Information and a Notice of Violation on or about April 12, 2007, but is without knowledge or information

sufficient to form a belief as to the truth of the remaining allegations contained in Paragraph 24 of the Complaint.

25. Respondent admits the allegations contained in Paragraph 25 of the Complaint.

COUNTS

Count 1

Failure to Make a Hazardous Waste Determination

26. The prior paragraphs of this Answer to the Complaint are incorporated as though set forth fully herein.

27. Respondent asserts that the regulations referenced in Paragraph 27 of the Complaint speak for themselves. To the extent that a response by Respondent is necessary, Respondent denies the allegations contained in Paragraph 27 of the Complaint.

28. Respondent asserts that the regulation referenced in Paragraph 28 of the Complaint speaks for itself. To the extent that a response by Respondent is necessary, Respondent denies the allegations contained in Paragraph 28 of the Complaint.

29. Respondent asserts that the regulation referenced in Paragraph 29 of the Complaint speaks for itself. To the extent that a response by Respondent is necessary, Respondent denies the allegations contained in Paragraph 29 of the Complaint.

30. Respondent denies the allegations contained in Paragraph 30 of the Complaint due to the use of the terms "generated" and "abandoned." Respondent further provides the following information regarding Respondent's activities at the San German facility since the July 26, 2006 inspection:

- a. Respondent properly disposed of the allegedly contaminated mop water observed during the July 26, 2006 inspection. Respondent continues to properly dispose of all TCE waste through qualified service providers;
- b. Respondent asserts that the ion exchange resin is non-hazardous material. Respondent's current disposal practice is to return the resin to the manufacturer for recycling;
- c. Respondent's current disposal practice is to collect rags and paper towels that have been in contact with solvent in properly designated drums for proper disposal as hazardous material;
- d. Respondent's current disposal practice is to collect rags and paper towels that have been in contact with solvent in properly designated drums for proper disposal as hazardous material;

- e. At the time of the July 26, 2006 inspection, the Respondent managed used fluorescent lamps as universal waste and stored and labeled them in the correct waste boxes. During the inspection, less than ten (10) lamps were incorrectly handled. Respondent took the proper measures to address the incorrectly handled lamps and the potentially impacted soils. Respondent continues to manage the fluorescent lamps as universal waste for proper disposal;
 - f. Respondent inspected and identified thirty-two (32) drums located at the San German facility. The drums were properly labeled or disposed of;
 - g. Respondent tested the unidentified material and confirmed that the material was non-hazardous material. The material was removed in forty-five (45) 55-gallon drums by BFI Waste Systems; and
 - h. Respondent properly disposed of the buffing wheels by sending the wheels to United Recycling refinery for silver recovery.
31. Respondent denies the allegations contained in Paragraph 31 of the Complaint.
32. Respondent denies the allegations contained in Paragraph 32 of the Complaint.
33. Respondent asserts that the regulations referenced in Paragraph 33 of the Complaint speak for themselves. To the extent that a response by Respondent is necessary, Respondent denies the allegations contained in Paragraph 33 of the Complaint.
34. Respondent asserts that the regulation referenced in Paragraph 34 of the Complaint speaks for itself. To the extent that a response by Respondent is necessary, Respondent denies the allegations contained in Paragraph 34 of the Complaint.
35. Respondent asserts that the regulation referenced in Paragraph 35 of the Complaint speaks for itself. To the extent that a response by Respondent is necessary, Respondent denies the allegations contained in Paragraph 35 of the Complaint.
36. Respondent asserts that the regulation referenced in Paragraph 36 of the Complaint speaks for itself. To the extent that a response by Respondent is necessary, Respondent denies the allegations contained in Paragraph 36 of the Complaint.
37. Respondent admits the use of buffing compound to polish silver, but denies the remaining allegations contained in Paragraph 37 of the Complaint.
38. Respondent admits the allegations contained in Paragraph 38 of the Complaint. Respondent further asserts that the buffing compounds are properly sent off-site to United Recycling refinery for silver recovery.
39. Respondent denies the allegations contained in Paragraph 39 of the Complaint.
40. Respondent denies the allegations contained in Paragraph 40 of the Complaint.

41. Respondent denies the allegations contained in Paragraph 41 of the Complaint.
42. Respondent denies the allegations contained in Paragraph 42 of the Complaint.
43. Respondent denies the allegations contained in Paragraph 43 of the Complaint.

Count 2

Failure to Minimize Risk

44. The prior paragraphs of this Answer to the Complaint are incorporated as though set forth fully herein.

45. Respondent asserts that the regulations referenced in Paragraph 45 of the Complaint speak for themselves. To the extent that a response by Respondent is necessary, Respondent denies the allegations contained in Paragraph 45 of the Complaint.

46. Respondent asserts that the regulation referenced in Paragraph 46 of the Complaint speaks for itself. To the extent that a response by Respondent is necessary, Respondent denies the allegations contained in Paragraph 46 of the Complaint.

47. Respondent denies the allegations contained in Paragraph 47 of the Complaint based upon the conclusory nature of the information set forth in the Complaint. Respondent further provides the following information regarding Respondent's activities at the San German facility:

- a. Thirty (30) drums located at the San German facility contained oil or oil and water mixture, one (1) drum contained cleaning soap, and one (1) drum contained caustic soda. Respondent properly disposed of the thirty (30) drums containing oil or oil and water mixture and properly labeled the drums containing cleaning soap and caustic soda;
- b. Respondent properly removed any residual oil and properly discarded any production equipment using a metal recycling company, Salinas Recycling. All used oil was properly disposed of with Oil Energy Systems. Respondent properly sent the buffing wheel off-site to United Recycling refinery for silver recovery. No used equipment is located on soil at the facility;
- c. At the time of the July 26, 2006 inspection, the Respondent managed used fluorescent lamps as universal waste and stored and labeled them in the correct waste boxes. During the inspection, less than ten (10) lamps were incorrectly handled. Respondent took the proper measures to address the incorrectly handled lamps and the potentially impacted soils. Respondents continue to properly manage the fluorescent lamps as universal waste for proper disposal;
- d. Respondent did not assume operations of the San German facility until approximately April 27, 2006. Respondent no longer uses TCE to clean sterling

flatware at the San German facility. Instead, Respondent adopted the dry and clean polishing step and discontinued the use of TCE;

- e. Respondent sealed the drains around the TCE storage and waste accumulation area at the Greco Brothers Ultra Sonic Degreaser to prevent a leak or spill from entering the evaporator;
- f. Respondent eliminated this process and properly disposed of the drums. Drains located in front of compressor and condensation drain were covered. The culvert was cleaned and the cement walls were increased in height; and
- g. Respondent did not assume operations of the facility until approximately April 27, 2006. Respondents properly disposed of all drums containing TCE hazardous waste and implemented new policies to ensure TCE hazardous waste is not stored at the facility for more than 180 days and is properly disposed of.

48. Respondent denies the allegations contained in Paragraph 48 of the Complaint.

49. Respondent denies the allegations contained in Paragraph 49 of the Complaint.

Count 3

Failure to Comply with Certain Use and Managerial Requirement for Containers

50. The prior paragraphs of this Answer to the Complaint are incorporated as though set forth fully herein.

51. Respondent asserts that the regulations referenced in Paragraph 51 of the Complaint speak for themselves. To the extent that a response by Respondent is necessary, Respondent denies the allegations contained in Paragraph 51 of the Complaint.

52. Respondent asserts that the regulation referenced in Paragraph 52 of the Complaint speaks for itself. To the extent that a response by Respondent is necessary, Respondent denies the allegations contained in Paragraph 52 of the Complaint.

53. Respondent denies the allegations contained in Paragraph 53 of the Complaint. Respondent further asserts that current policy is that all containers of hazardous waste are kept closed during storage, except when it is necessary to add or remove waste.

54. Respondent denies the allegations contained in Paragraph 54 of the Complaint.

55. Respondent asserts that the regulation referenced in Paragraph 55 of the Complaint speaks for itself. To the extent that a response by Respondent is necessary, Respondent denies the allegations contained in Paragraph 55 of the Complaint.

56. Respondent denies the allegations contained in Paragraph 56 of the Complaint. Respondent further asserts that current policy includes proper segregation of incompatible materials.

57. Respondent denies the allegations contained in Paragraph 57 of the Complaint.

58. Respondent asserts that the regulation referenced in Paragraph 58 of the Complaint speaks for itself. To the extent that a response by Respondent is necessary, Respondent denies the allegations contained in Paragraph 58 of the Complaint.

59. Respondent denies the allegations contained in Paragraph 59 of the Complaint. Respondent further asserts that current policy implements weekly inspections of all hazardous material accumulation and storage areas, which ensures that drums and containers remain in good condition with no signs of deterioration and proper aisle space is maintained.

60. Respondent denies the allegations contained in Paragraph 60 of the Complaint.

61. Respondent denies the allegations contained in Paragraph 61 of the Complaint.

Count 4

Operation of Storage Facility Without a Permit

62. The prior paragraphs of this Answer to the Complaint are incorporated as though set forth fully herein.

63. Respondent asserts that the regulations referenced in Paragraph 63 of the Complaint speak for themselves. To the extent that a response by Respondent is necessary, Respondent denies the allegations contained in Paragraph 63 of the Complaint.

64. Respondent asserts that the regulation referenced in Paragraph 64 of the Complaint speaks for itself. To the extent that a response by Respondent is necessary, Respondent denies the allegations contained in Paragraph 64 of the Complaint.

65. Respondent asserts that the statute and regulations referenced in Paragraph 65 of the Complaint speak for themselves. To the extent that a response by Respondent is necessary, Respondent denies the allegations contained in Paragraph 65 of the Complaint.

66. Respondent is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 66 of the Complaint. Respondent did not assume operations at the facility until approximately April 27, 2006. Since acquiring the property on or about April 27, 2006, Respondent has used a maximum of approximately 150-300 gallons per year of TCE in its manufacturing operations. Based upon historical records, the predecessor allegedly installed the Greco Brothers Ultrasonic Vapor Degreaser and began the use of TCE. Respondent no longer uses TCE to clean sterling flatware at the San German facility. Instead, Respondent adopted the dry and clean polishing step and discontinued the use of TCE.

67. Respondent admits the allegations contained in Paragraph 67 of the Complaint.

68. Respondent is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 68 of the Complaint. Respondent did not

assume operations at the facility until approximately April 27, 2006. Interviews of the predecessor's employees indicate that the predecessor's policy was to store hazardous waste on-site in excess of the permissible time limit. Respondent's policy is to properly dispose of hazardous waste off-site within the required 180-day time limit in accordance with applicable regulations.

69. Respondent denies the allegations contained in Paragraph 69 of the Complaint. Respondent further asserts that Respondent did not assume the operations of the facility until approximately April 27, 2006.

70. Respondent denies the allegations contained in Paragraph 70 of the Complaint.

71. Respondent denies the allegations contained in Paragraph 71 of the Complaint.

72. Respondent denies the allegations contained in Paragraph 72 of the Complaint. Respondent further asserts that Respondent did not assume the operations of the facility until approximately April 27, 2006.

73. Respondent admits the allegations contained in Paragraph 73 of the Complaint. Respondent further asserts that neither a permit or interim status qualification is required for the operations conducted at the San German facility.

74. Respondent denies the allegations contained in Paragraph 74 of the Complaint.

75. Respondent denies the allegations contained in Paragraph 75 of the Complaint.

Count 5

Used Oil Violations

76. The prior paragraphs of this Answer to the Complaint are incorporated as though set forth fully herein.

77. Respondent asserts that the regulations referenced in Paragraph 77 of the Complaint speak for themselves. To the extent that a response by Respondent is necessary, Respondent denies the allegations contained in Paragraph 77 of the Complaint.

78. Respondent denies the allegations contained in Paragraph 78 of the Complaint.

79. Respondent denies the allegations contained in Paragraph 79 of the Complaint.

80. Respondent denies the allegations contained in Paragraph 80 of the Complaint.

81. Respondent asserts that the regulations referenced in Paragraph 81 of the Complaint speak for themselves. To the extent that a response by Respondent is necessary, Respondent denies the allegations contained in Paragraph 81 of the Complaint.

82. Respondent denies the allegations contained in Paragraph 82 of the Complaint. Respondent further asserts any used oil observed during the July 26 and 27, 2006 inspection were properly disposed of with an authorized oil collection company. Respondent properly labels, stores, and inspects oil drums as required.

83. Respondent denies the allegations contained in Paragraph 83 of the Complaint.

84. Respondent denies the allegations contained in Paragraph 84 of the Complaint.

II. FACTS

On April 27, 2006, Syratech Acquisition Corporation, a wholly-owned subsidiary of Lifetime Brands, Inc., acquired certain assets and the related business, but did not acquire not the stock, of Syratech Corporation and its Wallace International de P.R., Inc., CHI International, Inc. and Syratech (H.K) Limited subsidiaries (herein after "Asset Purchase"). Prior to April 27, 2006, Wallace International de P.R., Inc., a Delaware corporation, was the occupant of the facility located in San German, Puerto Rico. Following the April 27, 2006 Asset Purchase, Wallace Silversmiths de Puerto Rico Ltd. became the occupant of the facility located in San German, Puerto Rico. Wallace Silversmiths de Puerto Rico Ltd., a wholly owned subsidiary of Lifetime Brands, Inc., is an exempted company incorporated in the Cayman Islands on April 18, 2006. As of April 27, 2006, Wallace Silversmiths de Puerto Rico Ltd. assumed operations conducted at the San German facility. Wallace Silversmiths de Puerto Rico Ltd. remains the current occupant of the property. Wallace Silversmiths de Puerto Rico Ltd. was not an occupant of the property and did not conduct operations at the property prior to April 27, 2006.

The Asset Purchase included, among other things, the Lease Agreement, as amended and extended, by and a between Wallace International de P.R., Inc. and the Puerto Rico Industrial Development Company. The Lease Agreement is currently due to expire on December 31, 2009. Syratech Acquisition Company assumed this Lease Agreement, but did not assume any liability with respect to periods prior to the Asset Purchase. The Asset Purchase did not include the stock of Syratech Corporation or its Wallace International de P.R., Inc., CHI International, Inc. and Syratech (H.K) Limited subsidiaries. Further, Syratech Acquisition Company did not assume the corporate legal entity, Wallace International de P.R., Inc., or any liability related thereto.

Since April 26, 2007, Wallace Silversmiths de Puerto Rico Ltd. has been a single supplier to Lifetime Brands, Inc. and its subsidiary, Syratech Acquisition Company, of sterling silver flatware, hollow sterling silver Christmas ornaments, and a single brass item (sleigh bell). Since the Asset Purchase, Wallace Silversmiths de Puerto Rico Ltd. has taken necessary safeguarding measures to ensure that all trichloroethylene (TCE) was properly contained and frequently checked for any leakage. Wallace Silversmiths de Puerto Rico Ltd. remains dedicated to compliance with environmental laws and regulations.

Strictly as a proactive measure, and without any admission of fault, fact or liability, on or about February 2008, Wallace Silversmiths de Puerto Rico Ltd. began investigating alternatives to replace TCE use in the operations. Wallace Silversmiths de Puerto Rico Ltd. explored the possible adoption of (1) the use of aqueous soap solution; (2) a poly bromide solvent; (3) soft and dry final polishing, with no polishing compound; and (4) a white vinegar and water mixture to replace TCE use in the operations at the San German, Puerto Rico facility. As a result of this

investigation, Wallace Silversmiths de Puerto Rico Ltd adopted the dry and clean polishing step and discontinued the use of TCE. Wallace Silversmiths de Puerto Rico Ltd. no longer uses TCE for the operations conducted at the San German, Puerto Rico facility. Additionally, Wallace Silversmiths de Puerto Rico Ltd. has taken significant steps to improve upon the facility's waste management policies to further ensure compliance with applicable environmental laws and regulations.

III. REQUEST FOR A HEARING

WHEREFORE, Respondent, Wallace Silversmiths de Puerto Rico Ltd., hereby requests a hearing upon the issues raised by the Complaint and Answer to Complaint pursuant to 40 C.F.R. § 22.15(c).

WHEREFORE, Respondent hereby requests that the hearing be held in abeyance pending an informal settlement conference between the parties.

III. AFFIRMATIVE DEFENSES

1. Respondent objects to the Complaint in its entirety on the grounds that it is arbitrary, capricious and/or unreasonable.
2. Respondent objects to the Complaint in its entirety on the grounds that it violates the rights of the Respondent under the United States Constitution.
3. Respondent objects to the EPA's determination that Wallace Silversmiths de Puerto Rico Ltd. violated Sections 3008 of the Solid Waste Disposal Act and the regulations promulgated pursuant thereto, specifically 40 C.F.R. § 262.11.
4. Respondent objects to the EPA's determination that Wallace Silversmiths de Puerto Rico Ltd. violated Sections 3008 of the Solid Waste Disposal Act and the regulations promulgated pursuant thereto, specifically 40 C.F.R. § 265.31.
5. Respondent objects to the EPA's determination that Wallace Silversmiths de Puerto Rico Ltd. violated Sections 3008 of the Solid Waste Disposal Act and the regulations promulgated pursuant thereto, specifically 40 C.F.R. §§ 265.173(a), 265.177(c), and 265.174.
6. Respondent objects to the EPA's determination that Wallace Silversmiths de Puerto Rico Ltd. violated Sections 3005 of the Solid Waste Disposal Act, 42 U.S.C. § 6925, and the regulations promulgated pursuant thereto, specifically 40 C.F.R. § 270.1(c).
7. Respondent objects to the EPA's determination that Wallace Silversmiths de Puerto Rico Ltd. violated Sections 3008 of the Solid Waste Disposal Act and the regulations promulgated pursuant thereto, specifically 40 C.F.R. §§ 279.22(b) and (c).

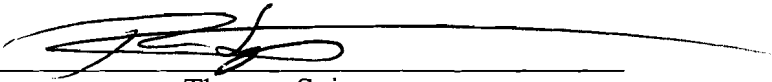
8. Respondent objects to EPA's conclusion that the potential of harm of the alleged violation of 40 C.F.R. § 262.11 is "major" and the extent of deviation is "moderate" for those activities allegedly conducted by Wallace Silversmiths de Puerto Rico Ltd.
9. Respondent objects to EPA's Penalty Computation for the alleged violation of 40 C.F.R. § 262.11 due to the fact that the predecessor is the liable party for those activities allegedly conducted by Wallace Silversmiths de Puerto Rico Ltd.
10. Respondent objects to EPA's conclusion that the potential of harm of the alleged violation of 40 C.F.R. § 265.31 is "major" and the extent of deviation is "major" for those activities allegedly conducted by Wallace Silversmiths de Puerto Rico Ltd.
11. Respondent objects to EPA's Penalty Computation for the alleged violation of 40 C.F.R. § 265.31 due to the fact that the predecessor is the liable party for those activities allegedly conducted by Wallace Silversmiths de Puerto Rico Ltd.
12. Respondent objects to EPA's conclusion that the potential of harm of the alleged violation of 40 C.F.R. §§ 265.173(a), 265.177(c), and 265.174 is "major" and the extent of deviation is "moderate" for those activities allegedly conducted by Wallace Silversmiths de Puerto Rico Ltd.
13. Respondent objects to EPA's Penalty Computation for the alleged violation of 40 C.F.R. §§ 265.173(a), 265.177(c), and 265.174 due to the fact that the predecessor is the liable party for those activities allegedly conducted by Wallace Silversmiths de Puerto Rico Ltd.
14. Respondent objects to EPA's conclusion that the potential of harm of the alleged violation of 42 U.S.C. § 6925 and 40 C.F.R. § 270.1(c) is "moderate" and the extent of deviation is "major" for those activities allegedly conducted by Wallace Silversmiths de Puerto Rico Ltd.
15. Respondent objects to EPA's Penalty Computation for the alleged violation of 42 U.S.C. § 6925 and 40 C.F.R. § 270.1(c) due to the fact that the predecessor is the liable party for those activities allegedly conducted by Wallace Silversmiths de Puerto Rico Ltd.
16. Respondent objects to EPA's conclusion that the potential of harm of the alleged violation of 40 C.F.R. §§ 279.22(b) and (c) is "moderate" and the extent of deviation is "moderate" for those activities allegedly conducted by Wallace Silversmiths de Puerto Rico Ltd.
17. Respondent objects to EPA's Penalty Computation for the alleged violation of 40 C.F.R. §§ 279.22(b) and (c) due to the fact that the predecessor is the liable party for those activities allegedly conducted by Wallace Silversmiths de Puerto Rico Ltd.

WHEREFORE, Wallace Silversmiths de Puerto Rico Ltd. requests:

1. That the Complaint be withdrawn or, alternatively, that EPA reduce the proposed civil penalty assessment set forth in the Complaint; and

2. Such other relief as the Court deems just and equitable.

PORZIO, BROMBERG & NEWMAN, P.C.
Attorneys for Respondent
Wallace Silversmiths de Puerto Rico Ltd.

By: 
Thomas Spiesman
An Attorney of the Firm

Dated: October 23, 2008

CERTIFICATE OF SERVICE

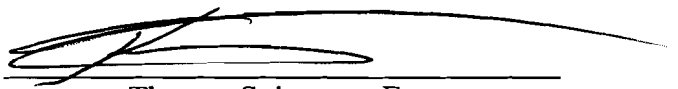
I, Thomas Spiesman, Esq., do hereby certify:

1. I am a an attorney-at-law of the State of New Jersey and a principal employed at the law firm of Porzio, Bromberg & Newman, P.C., attorneys in the within matter for respondent, Wallace Silversmiths de Puerto Rico, Ltd.

2. On October 23, 2008, I caused to be mailed via Federal Express a properly addressed and sealed envelope containing a copy of the within Answer to Complaint and Request for a Hearing to the attorney(s) listed below, at their last known address(es):

Dore LaPoste, Director
Division of Enforcement and Compliance Assistance
United States Environmental Protection Agency
Region 2
290 Broadway
New York, New York 10007-1866

3. I hereby certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.



Thomas Spiesman, Esq.

Dated: October 23, 2008