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2 UNITED STATES  
3 ENVIRONMENTAL PROTECTION AGENCY  
4 REGION IX  
5 75 HAWTHORNE STREET  
6 SAN FRANCISCO, CA 94105

7 In the Matter of: )  
8 Port Street Realty Corporation ) Docket No. TSCA-09-2015- 0010  
9 and Colfin AI-CA 4, LLC, ) COMPLAINT AND NOTICE  
10 ) OF OPPORTUNITY FOR  
11 ) HEARING  
12 \_\_\_\_\_ Respondents. )

13 This is a civil administrative action instituted pursuant to  
14 Section 16(a) of the Toxic Substances Control Act ("TSCA"), 15  
15 U.S.C. § 2615(a). Section 16(a) of TSCA and Section 1018 of  
16 Title X of the Residential Lead-Based Paint Hazard Reduction Act  
17 of 1992, 42 U.S.C. § 4852d ("Section 1018"), authorize the  
18 Administrator of the United States Environmental Protection  
19 Agency ("EPA") to issue a civil complaint for each violation of  
20 Section 409 of TSCA, 15 U.S.C. § 2689.

21 Complainant is the Chief of the Waste and Chemical Section  
22 in the Air, Waste and Toxics Branch of the Enforcement Division,  
23 EPA, Region IX, who has been duly delegated the authority to  
24 bring this action. Respondents are Port Street Realty  
25 Corporation ("Port Street"), a California corporation with  
26 offices located at 27372 Calle Arroyo in San Juan Capistrano,  
27 California, and Colfin AI-CA 4, LLC ("Colfin"), a Delaware  
28 corporation with offices located at 2450 Broadway, Sixth Floor in  
Santa Monica, California, that owned and/or managed a residential  
property located in La Habra, California.

This Complaint and Notice of Opportunity for Hearing

1 ("Complaint") serves as notice that Complainant has reason to  
2 believe that Respondents violated Section 409 of TSCA by failing  
3 to comply with Section 1018 and federal regulations promulgated  
4 to implement Section 1018 at 40 C.F.R. Part 745, Subpart F.

5 **GENERAL ALLEGATIONS**

6 1. EPA has jurisdiction over this matter pursuant to  
7 Section 1018.

8 2. 40 C.F.R. Part 745, Subpart F implements the provisions  
9 of Section 1018 that impose certain disclosure requirements  
10 concerning lead-based paint and/or lead-based paint hazards upon  
11 the sale or lease of target housing.

12 3. "Target housing" means any housing constructed prior to  
13 1978, except housing for the elderly or persons with disabilities  
14 (unless any child who is less than 6 years of age resides or is  
15 expected to reside in such housing) or any 0-bedroom dwelling.  
16 40 C.F.R. § 745.103.

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

22 5. "Lessee" means any entity that enters into an agreement  
23 to lease, rent, or sublease target housing, including but not  
24 limited to individuals, partnerships, corporations, trusts,  
25 government agencies, housing agencies, Indian tribes, and  
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1 nonprofit organizations. 40 C.F.R. § 745.103.

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

7 9. "Owner" means any entity that offers target housing for  
8 lease, rent, or sublease, including but not limited to  
9 individuals, partnerships, corporations, trusts, government  
10 agencies, housing agencies, Indian tribes, and nonprofit  
11 organizations, except where a mortgagee holds legal title to the  
12 property serving as collateral for mortgage loan, in which case  
13 the owner would be the mortgagor. 40 C.F.R. § 745.103.

14 10. At all times relevant to this Complaint, Respondent  
15 Colfin was the "owner" of a residential property located at 550  
16 Lemon Street in La Habra, California, as that term is defined at  
17 40 C.F.R. § 745.103.

18 11. At all times relevant to this Complaint, Respondent  
19 Port Street was the "agent" for Respondent Colfin, as that term  
20 is defined at 40 C.F.R. § 745.103.

21 12. At all times relevant to this Complaint, Respondents  
22 were "lessors" of a residential property located at 550 Lemon  
23 Street in La Habra, California, as that term is defined at 40  
24 C.F.R. § 745.103.

25 13. At all times relevant to this Complaint, the  
26

1 residential property located at 550 Lemon Street in La Habra,  
2 California was "target housing," as that term is defined at 40  
3 C.F.R. § 745.103.

4 14. On or around March 29, 2013, Respondents entered into  
5 a lease of the residential property located at 550 Lemon Street  
6 in La Habra, California with lessees for an occupancy greater  
7 than 100 days or less where lease renewals or extensions could  
8 occur.

9 **COUNT 1**

10 15. Paragraphs 1 through 14 are re-alleged and  
11 incorporated herein by reference.

12 16. Before a lessee is obligated under any contract to  
13 lease target housing, the lessor shall provide the lessee with an  
14 EPA-approved lead hazard information pamphlet. 40 C.F.R. §  
15 745.107(a)(1).

16 17. At the time that Respondents entered into the lease  
17 referenced in Paragraph 14, Respondents failed to provide the  
18 lessees with an EPA-approved lead hazard information pamphlet, as  
19 required by 40 C.F.R. § 745.107(a)(1).

20 18. Respondents' failure to provide the lessees with an  
21 EPA-approved lead hazard information pamphlet at the time of  
22 entering into the lease referenced in Paragraph 14 constitutes a  
23 violation of 40 C.F.R. § 745.107(a)(1) and Section 409 of TSCA,  
24 15 U.S.C. § 2689.

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1 based paint and/or lead-based paint hazards. 40 C.F.R. §  
2 745.113(b) (2).

3 25. At the time that Respondents entered into the lease  
4 referenced in Paragraph 14, Respondents failed to include a  
5 statement by the lessors disclosing the presence of known lead-  
6 based paint and/or lead-based paint hazards in the target housing  
7 being leased or indicating no knowledge of the presence of lead-  
8 based paint and/or lead-based paint hazards, as required by 40  
9 C.F.R. § 745.113(b) (2).

10 26. Respondents' failure to include a statement by the  
11 lessors disclosing the presence of known lead-based paint and/or  
12 lead-based paint hazards in the target housing being leased or  
13 indicating no knowledge of the presence of lead-based paint  
14 and/or lead-based paint hazards at the time of entering into the  
15 lease referenced in Paragraph 14 constitutes a violation of 40  
16 C.F.R. § 745.113(b) (2) and Section 409 of TSCA, 15 U.S.C. § 2689.

17 **COUNT 4**

18 27. Paragraphs 1 through 14 are re-alleged and  
19 incorporated herein by reference.

20 28. Each contract to lease target housing shall include a  
21 list of any records or reports available to the lessor pertaining  
22 to lead-based paint and/or lead-based paint hazards in the target  
23 housing that have been provided to the lessee or indicate that no  
24 such records or reports are available. 40 C.F.R. §  
25 745.113(b) (3).

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1 forth in 40 C.F.R. §§ 745.113(b) (2) and (3) and the lead hazard  
2 information pamphlet required under 15 U.S.C. § 2686, as required  
3 by 40 C.F.R. § 745.113(b) (4).

4 34. Respondents' failure to include a statement by the  
5 lessees affirming receipt of the information set forth in 40  
6 C.F.R. §§ 745.113(b) (2) and (3) and the lead hazard information  
7 pamphlet required under 15 U.S.C. § 2686 at the time of entering  
8 into the lease referenced in Paragraph 14 constitutes a violation  
9 of 40 C.F.R. § 745.113(b) (4) and Section 409 of TSCA, 15 U.S.C. §  
10 2689.

11 **COUNT 6**

12 35. Paragraphs 1 through 14 are re-alleged and  
13 incorporated herein by reference.

14 36. Each contract to lease target housing shall include,  
15 as an attachment to the lease or within the lease, a statement by  
16 the agent involved in the transaction to lease target housing  
17 that the agent has informed the lessor of the lessor's  
18 obligations and that the agent is aware of his/her duty to ensure  
19 compliance with Section 1018 (42 U.S.C. § 4852d). 40 C.F.R. §  
20 745.113(b) (5).

21 37. At the time that Respondents entered into the lease  
22 referenced in Paragraph 14, Respondents failed to include, as an  
23 attachment to the lease or within the lease, a statement by the  
24 agent involved in the transaction to lease target housing that  
25 the agent has informed the lessor of the lessor's obligations and  
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1 that the agent is aware of his/her duty to ensure compliance with  
2 Section 1018, as required by 40 C.F.R. § 745.113(b) (5).

3 38. Respondents' failure to include, as an attachment to  
4 the lease or within the lease, a statement by the agent involved  
5 in the transaction to lease target housing that the agent has  
6 informed the lessor of the lessor's obligations and that the  
7 agent is aware of his/her duty to ensure compliance with Section  
8 1018 at the time of entering into the lease referenced in  
9 Paragraph 14 constitutes a violation of 40 C.F.R. § 745.113(b) (5)  
10 and Section 409 of TSCA, 15 U.S.C. § 2689.

11 **COUNT 7**

12 39. Paragraphs 1 through 14 are re-alleged and  
13 incorporated herein by reference.

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

18 41. At the time that Respondents entered into the lease  
19 referenced in Paragraph 14, Respondents failed to include the  
20 signatures of the lessors, agent, and lessees certifying to the  
21 accuracy of their statements, to the best of their knowledge,  
22 along with the dates of signature, as required by 40 C.F.R. §  
23 745.113(b) (6).

24 42. Respondents' failure to include the signatures of the  
25 lessors, agent, and lessees certifying to the accuracy of their  
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1 statements, to the best of their knowledge, along with the dates  
2 of signature at the time of entering into the lease referenced in  
3 Paragraph 14 constitutes a violation of 40 C.F.R. § 745.113(b) (6)  
4 and Section 409 of TSCA, 15 U.S.C. § 2689.

5 **PROPOSED CIVIL PENALTY**

6 Section 16(a) of TSCA, 15 U.S.C. § 2615(a), and Section 1018  
7 authorize civil penalties of not more than \$16,000 per day for  
8 each violation of Section 409 of TSCA, 15 U.S.C. § 2689,  
9 occurring after January 12, 2009, pursuant to the Civil Monetary  
10 Penalty Inflation Adjustment Rule at 40 C.F.R. Part 19, which  
11 implements the Federal Civil Penalties Inflation Adjustment Act  
12 of 1990, Pub. L. 101-410.

13 In assessing any civil penalty, Section 16(a) of TSCA  
14 requires that EPA take into account the nature, circumstances,  
15 extent, and gravity of the violations; Respondents' history of  
16 such violations of TSCA; the degree of culpability involved;  
17 Respondents' ability to pay a penalty without jeopardizing their  
18 ability to continue to do business; and such other factors as  
19 justice may require.

20 Based upon the facts alleged in this Complaint and the  
21 statutory factors enumerated above, and in accordance with EPA's  
22 "Section 1018- Disclosure Rule Enforcement Response and Penalty  
23 Policy" dated December 2007 (a copy of which is enclosed),  
24 Complainant proposes that Respondents be assessed the following  
25 civil penalty for the violations alleged in this Complaint:  
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1 COUNT 1

2 Failure to Provide an EPA-approved Lead Hazard Information  
3 Pamphlet (40 C.F.R. § 107(a)(1))

4 Circumstance Level 1, Minor Extent . . . . . \$2,840

5 COUNT 2

6 Failure to Include a Lead Warning Statement Within or Attached To  
7 the Lease (40 C.F.R. § 113(b)(1))

8 Circumstance Level 2, Minor Extent . . . . . \$1,710

9 COUNT 3

10 Failure to Include Statement Disclosing Presence of Lead-Based  
11 Paint or Indicating No Knowledge Within or Attached to the Lease  
12 (40 C.F.R. § 113(b)(2))

13 Circumstance Level 3, Minor Extent . . . . . \$850

14 COUNT 4

15 Failure to Include List of Lead-Based Paint Records or Reports or  
16 Indicate that No Records or Reports are Available Within or  
17 Attached To the Lease (40 C.F.R. § 113(b)(3))

18 Circumstance Level 5, Minor Extent . . . . . \$290

19 COUNT 5

20 Failure to Include a Statement By Lessees Affirming Receipt of  
21 Lead-Based Paint Information Within or Attached To the Lease  
22 (40 C.F.R. § 113(b)(4))

23 Circumstance Level 4, Minor Extent . . . . . \$580

24 COUNT 6

25 Failure to Include Statement By Agent That Agent Informed Lessor  
26 of Lessor's Obligations and that Agent is Aware of Duty to Ensure  
27 Compliance With 42 U.S.C. § 4852d Within or Attached To the Lease  
28 (40 C.F.R. § 113(b)(5))

Circumstance Level 5, Minor Extent . . . . . \$290

COUNT 7

Failure to Include Signatures of Lessor, Agent and Lessees

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1 Certifying Accuracy of Their Statements Within or Attached To the  
Lease (40 C.F.R. § 113(b) (6))

2 Circumstance Level 6, Minor Extent . . . . . \$150

3 **TOTAL PROPOSED PENALTY . . . . . \$6,700**  
4 **(rounded to the nearest hundred from a total penalty of \$6,710)**

5 **NOTICE OF OPPORTUNITY TO REQUEST A HEARING**

6 As provided in Section 16(a) of TSCA, 15 U.S.C. § 2615(a),  
7 Respondents have the right to request a formal hearing to contest  
8 any material fact set forth in this Complaint or to contest the  
9 appropriateness of the proposed penalty. Any hearing requested  
10 will be conducted in accordance with the Administrative Procedure  
11 Act, 5 U.S.C. § 551 et seq., and the Consolidated Rules of  
12 Practice Governing the Administrative Assessment of Civil  
13 Penalties and the Revocation/Termination or Suspension of Permits  
14 ("Consolidated Rules of Practice"), 40 C.F.R. Part 22. A copy of  
15 the Consolidated Rules of Practice is enclosed with this  
16 Complaint.

17 **You must file a written Answer within thirty (30) days of**  
18 **receiving this Complaint to avoid being found in default, which**  
19 **constitutes an admission of all facts alleged in the Complaint**  
20 **and a waiver of the right to a hearing, and to avoid having the**  
21 **above penalty assessed without further proceedings.** If you  
22 choose to file an Answer, you are required by the Consolidated  
23 Rules of Practice to clearly and directly admit, deny, or explain  
24 each of the factual allegations contained in this Complaint to  
25 which you have any knowledge. If you have no knowledge of a  
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1 particular fact and so state, the allegation is considered  
2 denied. Failure to deny any of the allegations in this Complaint  
3 will constitute an admission of the undenied allegation.

4 The Answer shall also state the circumstances and arguments,  
5 if any, which are alleged to constitute the grounds of defense,  
6 and shall specifically request an administrative hearing, if  
7 desired. If you deny any material fact or raise any affirmative  
8 defense, you will be considered to have requested a hearing.

9 The Answer must be filed with:

10 **Regional Hearing Clerk (ORC-1)**  
11 **USEPA, Region IX**  
12 **75 Hawthorne Street**  
**San Francisco, CA 94105**

13 In addition, please send a copy of the Answer and all other  
documents that you file in this action to:

14 **Carol Bussey**  
15 **Assistant Regional Counsel**  
16 **Office of Regional Counsel (ORC-2)**  
**USEPA, Region IX**  
17 **75 Hawthorne Street**  
**San Francisco, CA 94105**

18 Ms. Bussey is the attorney assigned to represent EPA in this  
19 matter. Her telephone number is (415)972-3950.

20 You are further informed that the Consolidated Rules of  
21 Practice prohibit any **ex parte** (unilateral) discussion of the  
22 merits of any action with the Regional Administrator, Regional  
23 Judicial Officer, Administrative Law Judge, or any person likely  
24 to advise these officials in the decision of the case, after the  
25 Complaint is issued.

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1 statement stating that you agree to pay the proposed penalty in  
2 accordance with 40 C.F.R § 22.18(a)(1) with the Regional Hearing  
3 Clerk within 30 days after receiving the Complaint. The written  
4 statement need not contain any response to, or admission of, the  
5 allegations in the Complaint. Within sixty (60) days after  
6 receiving the Complaint, the full amount of the proposed penalty  
7 must be paid. Failure to make such payment within this sixty-day  
8 period may subject you to default. Upon receipt of payment in  
9 full, the Regional Judicial Officer will issue a final order.  
10 Payment by a respondent shall constitute a waiver of the  
11 respondent's rights to contest the allegations and to appeal the  
12 final order. In addition, full payment of the proposed penalty  
13 shall only resolve Respondent's liability for Federal civil  
14 penalties for violations and facts alleged in the Complaint and  
15 does not affect the right of EPA or the United States to pursue  
16 appropriate injunctive or other equitable relief or criminal  
17 sanctions for any violations of law.

18 **CONSENT AGREEMENT AND FINAL ORDER**

19 EPA has the authority, where appropriate, to modify the  
20 amount of the proposed penalty to reflect any settlement reached  
21 with you in an informal conference or through alternative dispute  
22 resolution. The terms of such an agreement would be embodied in  
23 a Consent Agreement and Final Order. A Consent Agreement signed  
24 by all parties would be binding as to all terms and conditions  
25 specified therein when the Regional Judicial Officer signs the  
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1 Final Order.

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3 DATE: 18 JUN 2015



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DOUGLAS K. MCDANIEL  
Chief, Waste and Chemical Section  
Enforcement Division  
U.S. Environmental Protection Agency,  
Region IX

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CERTIFICATE OF SERVICE

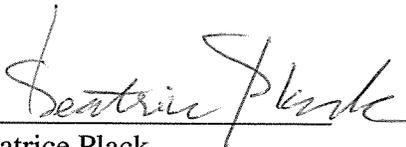
I certify that the original and one copy of the foregoing Complaint and Notice of Opportunity for Hearing was filed with the Regional Hearing Clerk, United States Environmental Protection Agency, Region IX and that a true and correct copy of (1) the Complaint and Notice of Opportunity for Hearing; (2) the Consolidated Rules of Practice at 40 C.F.R. Part 22; and (3) the Section 1018 - Disclosure Rule Enforcement Response and Penalty Policy dated December 2007 were placed in the United States Mail, certified mail, return receipt requested, addressed to the following:

Jeffrey Pintar  
Chief Executive Officer  
Port Street Realty Corporation  
27772 Calle Arroyo  
San Juan Capistrano, CA 92675

Chief Executive Officer  
Colfin AI-CA 4, LLC  
c/o CSC- Lawyers Incorporating Service (C1592199)  
2710 Gateway Oaks Drive, Suite 150 N  
Sacramento, CA 95833

Certified Mail # 7013 1090 0000 1618 1345 Certified Mail # 7001 0320 0002 0254 2185

Dated: 6/22/2015

By:   
Beatrice Plack  
Enforcement Division  
U.S. Environmental Protection Agency, Region IX