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UNITED STATES  
ENVIRONMENTAL PROTECTION AGENCY  
REGION IX

|                       |   |                                    |
|-----------------------|---|------------------------------------|
| In the matter of:     | ) | Docket No. TSCA-09-2026-0122       |
|                       | ) |                                    |
| John Stewart Company, | ) | CONSENT AGREEMENT                  |
|                       | ) | AND FINAL ORDER                    |
| Respondent.           | ) | pursuant to 40 C.F.R. §§ 22.13(b), |
|                       | ) | 22.18(b)(2), and 22.18(b)(3)       |

CONSENT AGREEMENT

The United States Environmental Protection Agency (“EPA”), Region IX, and John Stewart Company (“Respondent”) agree to settle this matter and consent to the entry of this Consent Agreement and Final Order (“CAFO”). This CAFO simultaneously initiates and concludes this proceeding in accordance with 40 C.F.R. §§ 22.13(b) and 22.18(b).

A. AUTHORITY AND PARTIES

1. This is a civil administrative penalty action instituted against Respondent pursuant to Section 16(a) of the Toxic Substances Control Act (“TSCA”), 15 U.S.C. § 2615(a), for violation of Section 1018 of the Residential Lead-Based Paint Hazard Reduction Act of 1992 (“Section 1018”), 42 U.S.C. § 4852d, and federal regulations promulgated to implement Section 1018 at 40 C.F.R. Part 745, Subpart F. Violation of Section 1018 through its implementing regulations at 40 C.F.R. Part 745, Subpart F constitutes violation of Section 409 of TSCA, 15 U.S.C. § 2689.

2. Complainant is the Acting Manager of the Toxics Section in the Enforcement and Compliance Assurance Division, EPA Region IX, who has been duly delegated the authority to

bring this action and to sign a consent agreement settling this action.

3. Respondent, a California corporation headquartered at 1388 Sutter Street (11<sup>th</sup> floor) in San Francisco, California, leases and manages residential properties in the State of California.

#### B. STATUTORY AND REGULATORY BASIS

4. 40 C.F.R. Part 745, Subpart F implements the provisions of Section 1018 that impose certain disclosure requirements concerning lead-based paint and/or lead-based paint hazards upon the sale or lease of target housing.

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

6. “Lessor” means any entity that offers target housing for lease, rent or sublease, including but not limited to individuals, partnerships, corporations, trusts, government agencies, housing agencies, Indian tribes, and nonprofit organizations. 40 C.F.R. § 745.103. EPA interprets “lease, rent, or sublease” to include occupancy via license as a condition of employment.

7. “Lessee” means any entity that enters into an agreement to lease, rent, or sublease target housing, including but not limited to individuals, partnerships, corporations, trusts, government agencies, housing agencies, Indian tribes, and nonprofit organizations. 40 C.F.R. § 745.103. EPA interprets “lease, rent, or sublease” to include occupancy via license as a condition of employment.

8. Each contract to lease target housing shall include, as an attachment, a Lead Warning Statement containing language provided in 40 C.F.R. § 745.113(b)(1). 40 C.F.R. § 745.113(b)(1).

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

10. Each contract to lease target housing shall include a list of any records or reports

1 available to the lessor pertaining to lead-based paint and/or lead-based paint hazards in the target  
 2 housing that have been provided to the lessee or indicate that no such records or reports are  
 3 available. 40 C.F.R. § 745.113(b)(3).

4 11. Each contract to lease target housing shall include a statement by the lessee affirming  
 5 receipt of the information set forth in 40 C.F.R. §§ 745.113(b)(2) and (3) and the lead hazard  
 6 information pamphlet required under 15 U.S.C. § 2686. 40 C.F.R. § 745.113(b)(4).

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

10 13. As provided at 40 C.F.R. § 745.118(e), failure to comply with 40 C.F.R. §§ 745.107,  
 11 110, 113, or 115 is a violation of Section 409 of TSCA, 15 U.S.C. § 2689, and the penalty for  
 12 each such violation of Section 1018 shall not be more than \$22,263 for violations occurring after  
 13 November 2, 2015, where penalties are assessed on or after January 8, 2025, pursuant to the  
 14 Civil Monetary Penalty Inflation Adjustment Rule at 40 C.F.R. Part 19 (as amended by 90 Fed.  
 15 Reg. 1375 (January 8, 2025)).

### 16 C. ALLEGED VIOLATIONS

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

18 15. At all times relevant to this matter, Respondent was a “lessor” of the residential  
 19 properties referenced in Paragraph 17, as that term is defined at 40 C.F.R. § 745.103.

20 16. At all times relevant to this matter, the residential properties referenced in Paragraph  
 21 17 were “target housing,” as that term is defined at 40 C.F.R. § 745.103.

22 17. On or around the dates listed below, Respondent entered into 11 leases of the  
 23 residential properties listed below for occupancies greater than 100 days or 100 days or less  
 24 where lease renewals or extensions could occur (collectively, the “Subject Leases”):

| <u>Address</u>                                   | <u>Date of Lease</u> |
|--------------------------------------------------|----------------------|
| 1) 806 Almond Street #A, Suisun City, CA 94585   | January 23, 2023     |
| 2) 809 Almond Street #C, Suisun City, CA 94585   | September 1, 2023    |
| 3) 5233 Creely Avenue, Richmond, CA 94804        | February 12, 2025    |
| 4) 894 Paula Street #31, San Jose, CA 95126      | August 23, 2024      |
| 5) 337 S Burkett Avenue #T12, Stockton, CA 95205 | November 1, 2023     |

|     |                                               |                   |
|-----|-----------------------------------------------|-------------------|
| 6)  | 337 S Burkett Avenue #G4, Stockton, CA 95205  | November 1, 2023  |
| 7)  | 212 S. Filbert Street #F8, Stockton, CA 95205 | March 8, 2024     |
| 8)  | 2535 E. Marsh Street #P4, Stockton, CA 95205  | July 11, 2024     |
| 9)  | 1919 Fruitvale Avenue #D1, San Jose, CA 95128 | December 11, 2023 |
| 10) | 1919 Fruitvale Avenue #A6, San Jose, CA 95128 | December 23, 2024 |
| 11) | 1919 Fruitvale Avenue #H1, San Jose, CA 95128 | January 22, 2024  |

18. At the time that Respondent and lessees entered into each of the Subject Leases #1, 5, 6, 9, 10, and 11 as referenced in Paragraph 17, Respondent failed to include in the contract to lease target housing, as an attachment or within the contract, a Lead Warning Statement containing language provided in 40 C.F.R. § 745.113(b)(1), as required by 40 C.F.R. § 745.113(b)(1).

19. At the time that Respondent and lessees entered into each of the Subject Leases #1, 5, 6, 9, 10, and 11 as referenced in Paragraph 17, Respondent failed to include in the contract to lease target housing, as an attachment or within the contract, a statement by Respondent disclosing the presence of known lead-based paint and/or lead-based paint hazards in the unit being leased or indicating no knowledge of the presence of lead-based paint and/or lead-based paint hazards, as required by 40 C.F.R. § 745.113(b)(2).

20. At the time that Respondent and lessees entered into each of the Subject Leases #1, 5, 6, 9, 10, and 11 as referenced in Paragraph 17, Respondent failed to include in the contract to lease target housing, as an attachment or within the contract, a list of any records or reports available to Respondent pertaining to lead-based paint and/or lead-based paint hazards in the unit that had been provided to the lessee or indicate that no such records or reports are available, as required by 40 C.F.R. § 745.113(b)(3).

21. At the time that Respondent and lessees entered into each of the Subject Leases #1, 5, 6, 9, 10, and 11 as referenced in Paragraph 17, Respondent failed to include in the contract to lease target housing, as an attachment or within the contract, a statement by the lessee affirming receipt of the information set forth in 40 C.F.R. §§ 745.113(b)(2) and (3) and the lead hazard information pamphlet required under 15 U.S.C. § 2686, as required by 40 C.F.R. § 745.113(b)(4).

22. At the time that Respondent and lessees entered into each of the Subject Leases #1,

1 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11 as referenced in Paragraph 17, Respondent failed to include in the  
2 contract to lease target housing, as an attachment or within the contract, the signature of  
3 Respondent and the lessee certifying to the accuracy of their statements, to the best of their  
4 knowledge, along with the dates of signature, as required by 40 C.F.R. § 745.113(b)(6).

5 23. Each of Respondent's failures to comply with 40 C.F.R. § 745.113, as set forth in  
6 Paragraphs 18 through 22, constitutes a separate violation of Section 409 of TSCA, 15 U.S.C. §  
7 2689, which can be assessed a penalty of up to \$22,263 per violation for violations occurring  
8 after November 2, 2015, where penalties are assessed on or after January 8, 2025.

9 **D. RESPONDENT'S ADMISSIONS**

10 24. In accordance with 40 C.F.R. § 22.18(b)(2) and for the purpose of this proceeding,  
11 Respondent: (i) admits that EPA has jurisdiction over the subject matter of this CAFO and over  
12 Respondent; (ii) neither admits nor denies the specific factual allegations contained in Section C  
13 of this CAFO; (iii) consents to any and all conditions specified in this CAFO and to the  
14 assessment of the civil administrative penalty under Section E of this CAFO; (iv) waives any  
15 right to contest the allegations contained in this CAFO; and (v) waives the right to appeal the  
16 Final Order contained in this CAFO. In addition, by signing this CAFO, Respondent waives any  
17 rights or defenses that Respondent has or may have for this matter to be resolved in federal court,  
18 including but not limited to any right to a jury trial, and waives any right to challenge the  
19 lawfulness of the Final Order contained in this CAFO.

20 **E. CIVIL ADMINISTRATIVE PENALTY**

21 25. In full and final settlement of the violations arising under TSCA as specifically  
22 alleged in Section C of this CAFO, Respondent shall pay a civil administrative penalty of  
23 THIRTY-ONE THOUSAND, FIVE HUNDRED, AND SIXTY-SEVEN DOLLARS (\$31,567).  
24 Respondent shall pay the assessed penalty no later than thirty (30) days from the effective date of  
25 this CAFO using any method or combination of appropriate methods provided in the EPA  
26 website at <https://www.epa.gov/financial/makepayment>. For additional instructions, see  
27 <https://www.epa.gov/financial/additional-instructions-making-payments-epa>. If any clarification  
28 regarding a particular method of payment remittance is needed, please contact the EPA

Cincinnati Finance Center at (513) 487-2074. Payment shall be accompanied by a transmittal letter identifying Respondent, the case name, the case docket number, and this CAFO. Concurrent with payment of the penalty, Respondent shall send a PDF copy of the notification that the payment has been made by one of the methods provided, including proof of the date payment was made, and the transmittal letter to the following email addresses:

Regional Hearing Clerk  
Office of Regional Counsel (ORC-1)  
U.S. Environmental Protection Agency, Region IX  
75 Hawthorne Street  
San Francisco, CA 94105  
R9HearingClerk@epa.gov

Rieko Nishimura  
Toxics Section  
Enforcement and Compliance Assurance Division (ENF-2-3)  
U.S. Environmental Protection Agency, Region IX  
75 Hawthorne Street  
San Francisco, CA 94105  
nishimura.rieko@epa.gov

26. Respondent shall not use payment of any penalty under this CAFO as a tax deduction from Respondent's federal, state, or local taxes, nor shall Respondent allow or otherwise facilitate any other person to use such payment as a tax deduction.

27. If Respondent fails to pay the assessed civil administrative penalty of THIRTY-ONE THOUSAND, FIVE HUNDRED, AND SIXTY-SEVEN DOLLARS (\$31,567) as identified in Paragraph 25 by the deadline specified in that Paragraph, then Respondent shall pay a stipulated penalty to EPA of FIVE HUNDRED DOLLARS (\$500) per day in addition to the assessed penalty. Stipulated penalties shall accrue until such time as the assessed penalty and all accrued stipulated penalties are paid and shall become due and payable upon EPA's written request. Failure to pay the civil administrative penalty specified in Paragraph 25 by the deadline specified in that Paragraph may also lead to any or all of the following actions:

(1) EPA may refer the debt to a credit reporting agency, a collection agency, or to the Department of Justice for filing of a collection action in the appropriate United States District Court. 40 C.F.R. §§ 13.13, 13.14 and 13.33. The validity, amount, and appropriateness of the assessed penalty or of this CAFO is not subject to review in any such

collection proceeding.

(2) The U.S. Government may collect the debt by administrative offset (*i.e.*, the withholding of money payable by the United States to, or held by the United States for, a person to satisfy the debt the person owes the U.S. Government), which includes, but is not limited to, referral to the Internal Revenue Service for offset against income tax refunds. 40 C.F.R. §§ 13(C) and 13(H).

(3) Pursuant to 40 C.F.R. § 13.17, EPA may either: (i) suspend or revoke Respondent's licenses or other privileges, or (ii) suspend or disqualify Respondent from doing business with EPA or engaging in programs EPA sponsors or funds.

(4) Pursuant to 31 U.S.C. § 3701 *et seq.* and 40 C.F.R. Part 13, the U.S. Government may assess interest, administrative handling charges, and nonpayment penalties against the outstanding amount that Respondent owes to EPA for Respondent's failure to pay the civil administrative penalty specified in Paragraph 25 by the deadline specified in that Paragraph.

(a) Interest. Pursuant to 31 U.S.C. § 3717 and 40 C.F.R. § 13.11(a)(1), any unpaid portion of the assessed penalty shall bear interest at the rate established according to 26 U.S.C. § 6621(a)(2) from the effective date of this CAFO, provided, however, that no interest shall be payable on any portion of the assessed penalty that is paid within thirty (30) days of the effective date of this CAFO.

(b) Administrative Handling Charges. Pursuant to 31 U.S.C. § 3717(e)(1) and 40 C.F.R. § 13.11(b), Respondent shall pay a monthly handling charge, based on either actual or average cost incurred (including both direct and indirect costs), for every month in which any portion of the assessed penalty is more than thirty (30) days past due.

(c) Nonpayment Penalties. Pursuant to 31 U.S.C. § 3717(e)(2) and 40 C.F.R. § 13.11(c), a monthly penalty charge, not to exceed six percent (6%) annually, may be assessed on all debts more than ninety (90) days delinquent.

#### F. CERTIFICATION OF COMPLIANCE

28. In executing this CAFO, Respondent certifies that it is now fully in compliance with the federal regulations promulgated at 40 C.F.R. Part 745, Subpart F.

## G. RETENTION OF RIGHTS

29. In accordance with 40 C.F.R. § 22.18(c), this CAFO only resolves Respondent's liabilities for federal civil penalties for the violations and facts specifically alleged in Section C of this CAFO. Nothing in this CAFO is intended to or shall be construed to resolve: (i) any civil liability for violations of any provision of any federal, state, or local law, statute, regulation, rule, ordinance, or permit not specifically alleged in Section C of this CAFO; or (ii) any criminal liability. EPA specifically reserves any and all authorities, rights, and remedies 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 violation not specifically alleged in Section C of this CAFO.

30. This CAFO does not exempt, relieve, modify, or affect in any way Respondent's duties to comply with all applicable federal, state, and local laws, regulations, rules, ordinances, and permits.

#### H. ATTORNEYS' FEES AND COSTS

31. Each party shall bear its own attorneys' fees, costs, and disbursements incurred in this proceeding.

## I. EFFECTIVE DATE

32. In accordance with 40 C.F.R. §§ 22.18(b)(3) and 22.31(b), this CAFO shall be effective on the date that the Final Order contained in this CAFO, having been approved and issued by either the Regional Judicial Officer or Regional Administrator, is filed.

## J. BINDING EFFECT

33. The undersigned representative of Complainant and the undersigned representative of Respondent each certifies that he or she is fully authorized to enter into the terms and conditions of this CAFO and to bind the party he or she represents to this CAFO.

34. The provisions of this CAFO shall apply to and be binding upon Respondent and its officers, directors, employees, agents, trustees, servants, authorized representatives, successors, and assigns.

FOR RESPONDENT JOHN STEWART COMPANY:

9/2/2026

DATE

DocuSigned by:  
*Noah Schwartz*  
88E32F20C202467...

NOAH SCHWARTZ  
President and CEO  
John Stewart Company

FOR COMPLAINANT EPA:

9/10/2026

DATE

SCOTT  
MCWHORTER  
SCOTT MCWHORTER  
Acting Manager, Toxics Section  
Enforcement and Compliance Assurance Division  
U.S. Environmental Protection Agency, Region IX

Digitally signed by  
SCOTT MCWHORTER  
Date: 2026.09.10  
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