

**BEFORE THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
Region III  
1650 Arch Street  
Philadelphia, Pennsylvania 19103-2029**

**IN THE MATTER OF**

Paradigm Labs, Inc.  
7 Roberts Road  
Pine Grove, Pennsylvania 17963

Respondent

Paradigm Labs, Inc.  
7 Roberts Road  
Pine Grove, Pennsylvania 17963

Facility

**CONSENT AGREEMENT**

Docket No. FIFRA-03-2008-0168

**I. PRELIMINARY STATEMENT**

1. On September 28, 2007, the Director, Land and Chemicals Division (formerly known as the Waste and Chemicals Management Division), U.S. Environmental Protection Agency, Region III ("Complainant" or "EPA") issued an Administrative Complaint, Compliance Order and Notice of Opportunity for Hearing ("Complaint") against Paradigm Labs, Inc. ("Respondent") pursuant to Section 14(a) of the Federal Insecticide, Fungicide and Rodenticide Act ("FIFRA" or "the Act"), as amended, 7 U.S.C. § 136l(a), for violations of Section 12 of FIFRA, 7 U.S.C. § 136j. On July 10, 2008, Complainant issued an Amended Administrative Complaint, Compliance Order and Notice of Opportunity for Hearing ("Amended Complaint") against Paradigm Labs, Inc. ("Respondent") pursuant to Section 14(a) of FIFRA.

2. This Consent Agreement is entered into by Complainant and Respondent in settlement of EPA's claims for civil penalties under Section 14(a) of FIFRA, 7 U.S.C. § 136l(a), for the violations alleged in the Amended Complaint.
3. For the purposes of this proceeding, Respondent admits the jurisdictional allegations of the Amended Complaint.
4. Respondent neither admits nor denies the specific factual allegations and conclusions of law set forth in the Amended Complaint, except as provided in Paragraph 3, above.
5. For the purposes of this proceeding only, Respondent hereby expressly waives its right to a hearing on any issue of law or fact set forth in the Amended Complaint, and any right to appeal the accompanying Final Order.
6. The settlement agreed to by the parties in this Consent Agreement reflects the desire of the parties to resolve this matter without continued litigation.
7. Respondent consents to the issuance of this Consent Agreement and to the attached Final Order and agrees to comply with their terms.
8. Respondent agrees not to contest Complainant's jurisdiction with respect to the execution of this Consent Agreement, the issuance of the attached Final Order, or the enforcement thereof.
9. The settlement embodied in this Consent Agreement is based in part upon an analysis of Respondent's ability to pay a civil penalty. This analysis was based upon information submitted to Complainant by the Respondent, as listed on Exhibit A to this Consent Agreement. Respondent and its undersigned representative, by such representative's

signature to this Consent Agreement, certify that the information submitted to EPA regarding Respondent's ability to pay is accurate and not misleading.

10. Respondent is aware that the submission of false or misleading information to the United States government may subject it to separate civil and/or criminal liability. Complainant reserves the right to seek and obtain appropriate relief if Complainant obtains evidence that the information provided and/or representations made by Respondent to Complainant regarding the matters at issue in the Findings of Fact and Conclusions of Law are false or, in any material respect, inaccurate.
11. Each party shall bear its own costs and attorney's fees in connection with this proceeding.

## **II. FINDINGS OF FACT AND CONCLUSIONS OF LAW**

12. EPA's Findings of Fact and Conclusions of Law set forth in the Amended Complaint are hereby incorporated into this Consent Agreement as if set forth fully herein.

## **III. CIVIL PENALTIES**

13. Respondent agrees to pay a civil penalty in the amount of TWENTY-FOUR THOUSAND DOLLARS (\$24,000.00), which Respondent agrees to pay in accordance with the terms set forth below. Such civil penalty amount shall become due and payable immediately upon the mailing or hand-delivery to Respondent of a true and correct copy of this CAFO fully executed by all parties, subject to Paragraph 15 below.

14. Complainant finds the aforesaid settlement amount is reasonable based on consideration of a number of factors, including, but not limited to, the statutory factors set forth in Section 14(a)(4) of FIFRA, 7 U.S.C. § 136l(a)(4), which include the appropriateness of the penalty to the size of Respondent's business, the effect on Respondent's ability to continue in business, and the gravity of the violation, and is consistent with EPA's FIFRA Enforcement Response Policy ("FIFRA ERP") dated July 2, 1990, and with the Penalty Inflation Provisions of 40 C.F.R. Part 19.
15. The civil penalty of twenty-four thousand dollars (\$24,000.00) set forth in Paragraph 13, above, shall be paid in twenty-four (24) installments with interest at the rate of three percent (3%) per annum on the outstanding principal balance in accordance with the following schedule:
  - a. 1<sup>st</sup> Payment: The first payment in the amount of one thousand dollars (\$1,000.00), consisting of a principal payment of \$1,000.00 and an interest payment of \$0.00, shall be paid within thirty (30) days of the date on which this CAFO is mailed or hand-delivered to Respondent;
  - b. 2<sup>nd</sup> Payment: The second payment in the amount of one thousand one hundred thirteen dollars and forty-two cents (\$1,113.42), consisting of a principal payment of \$1,000.00 and an interest payment of \$113.42, shall be paid within sixty (60) days of the date on which this CAFO is mailed or hand-delivered to Respondent;

- c. 3<sup>rd</sup> Payment: The third payment in the amount of one thousand fifty-four dollars and twenty-five cents (\$1,054.25), consisting of a principal payment of \$1,000.00 and an interest payment of \$54.25, shall be paid within ninety (90) days of the date on which this CAFO is mailed or hand-delivered to Respondent;
- d. 4<sup>th</sup> Payment: The fourth payment in the amount of one thousand fifty-one dollars and seventy-eight cents (\$1,051.78), consisting of a principal payment of \$1,000.00 and an interest payment of \$51.78, shall be paid within one hundred and twenty (120) days of the date on which this CAFO is mailed or hand-delivered to Respondent;
- e. 5<sup>th</sup> Payment: The fifth payment in the amount of one thousand forty-nine dollars and thirty-two cents (\$1,049.32), consisting of a principal payment of \$1,000.00 and an interest payment of \$49.32, shall be paid within one hundred and fifty (150) days of the date on which this CAFO is mailed or hand-delivered to Respondent;
- f. 6<sup>th</sup> Payment: The sixth payment in the amount of one thousand forty-six dollars and eighty-five cents (\$1,046.85), consisting of a principal payment of \$1,000.00 and an interest payment of \$46.85, shall be paid within one hundred and eighty (180) days of the date on which this CAFO is mailed or hand-delivered to Respondent;

- g. 7<sup>th</sup> Payment: The seventh payment in the amount of one thousand forty-four dollars and thirty-eight cents (\$1,044.38), consisting of a principal payment of \$1,000.00 and an interest payment of \$44.38, shall be paid within two hundred and ten (210) days of the date on which this CAFO is mailed or hand-delivered to Respondent;
- h. 8<sup>th</sup> Payment: The eighth payment in the amount of one thousand forty-one dollars and ninety-two cents (\$1,041.92), consisting of a principal payment of \$1,000.00 and an interest payment of \$41.92, shall be paid within two hundred and forty (240) days of the date on which this CAFO is mailed or hand-delivered to Respondent;
- i. 9<sup>th</sup> Payment: The ninth payment in the amount of one thousand thirty-nine dollars and forty-five cents (\$1,039.45), consisting of a principal payment of \$1,000.00 and an interest payment of \$39.45, shall be paid within two hundred and seventy (270) days of the date on which this CAFO is mailed or hand-delivered to Respondent;
- j. 10<sup>th</sup> Payment: The tenth payment in the amount of one thousand thirty-six dollars and ninety-nine cents (\$1,036.99), consisting of a principal payment of \$1,000.00 and an interest payment of \$36.99, shall be paid within three hundred (300) days of the date on which this CAFO is mailed or hand-delivered to Respondent;
- k. 11<sup>th</sup> Payment: The eleventh payment in the amount of one thousand thirty-four dollars and fifty-two cents (\$1,034.52), consisting of a principal

payment of \$1,000.00 and an interest payment of \$34.52, shall be paid within three hundred and thirty (330) days of the date on which this CAFO is mailed or hand-delivered to Respondent;

- l. 12<sup>th</sup> Payment: The twelfth payment in the amount of one thousand thirty-two dollars and five cents (\$1,032.05), consisting of a principal payment of \$1,000.00 and an interest payment of \$32.05, shall be paid within three hundred and sixty (360) days of the date on which this CAFO is mailed or hand-delivered to Respondent;
- m. 13<sup>th</sup> Payment: The thirteenth payment in the amount of one thousand twenty-nine dollars and fifty-nine cents (\$1,029.59), consisting of a principal payment of \$1,000.00 and an interest payment of \$29.59, shall be paid within three hundred and ninety (390) days of the date on which this CAFO is mailed or hand-delivered to Respondent;
- n. 14<sup>th</sup> Payment: The fourteenth payment in the amount of one thousand twenty-seven dollars and twelve cents (\$1,027.12), consisting of a principal payment of \$1,000.00 and an interest payment of \$27.12, shall be paid within four hundred and twenty (420) days of the date on which this CAFO is mailed or hand-delivered to Respondent;
- o. 15<sup>th</sup> Payment: The fifteenth payment in the amount of one thousand twenty-four dollars and sixty-six cents (\$1,024.66), consisting of a principal payment of \$1,000.00 and an interest payment of \$24.66, shall be

paid within four hundred and fifty (450) days of the date on which this CAFO is mailed or hand-delivered to Respondent;

- p. 16<sup>th</sup> Payment: The sixteenth payment in the amount of one thousand twenty-two dollars and nineteen cents (\$1,022.19), consisting of a principal payment of \$1,000.00 and an interest payment of \$22.19, shall be within four hundred and eighty (480) days of the date on which this CAFO is mailed or hand-delivered to Respondent;
- q. 17<sup>th</sup> Payment: The seventeenth payment in the amount of one thousand nineteen dollars and seventy-three cents (\$1,019.73), consisting of a principal payment of \$1,000.00 and an interest payment of \$19.73, shall be within five hundred and ten (510) days of the date on which this CAFO is mailed or hand-delivered to Respondent;
- r. 18<sup>th</sup> Payment: The eighteenth payment in the amount of one thousand seventeen dollars and twenty-six cents (\$1,017.26), consisting of a principal payment of \$1,000.00 and an interest payment of \$17.26, shall be paid within five hundred and forty (540) days of the date on which this CAFO is mailed or hand-delivered to Respondent;
- s. 19<sup>th</sup> Payment: The nineteenth payment in the amount of one thousand fourteen dollars and seventy-nine cents (\$1,014.79), consisting of a principal payment of \$1,000.00 and an interest payment of \$14.79, shall be paid within five hundred and seventy (570) days of the



date on which this CAFO is mailed or hand-delivered to Respondent;

- t. 20<sup>th</sup> Payment: The twentieth payment in the amount of one thousand twelve dollars and thirty-three cents (\$1,012.33), consisting of a principal payment of \$1,000.00 and an interest payment of \$12.33, shall be paid within six hundred (600) days of the date on which this CAFO is mailed or hand-delivered to Respondent;
- u. 21<sup>st</sup> Payment: The twenty-first payment in the amount of one thousand nine dollars and eighty-six cents (\$1,009.86), consisting of a principal payment of \$1,000.00 and an interest payment of \$9.86, shall be paid within six hundred and thirty (630) days of the date on which this CAFO is mailed or hand-delivered to Respondent;
- v. 22<sup>nd</sup> Payment: The twenty-second payment in the amount of one thousand seven dollars and forty cents (\$1,007.40), consisting of a principal payment of \$1,000.00 and an interest payment of \$7.40, shall be paid within six hundred and sixty (660) days of the date on which this CAFO is mailed or hand-delivered to Respondent;
- w. 23<sup>rd</sup> Payment: The twenty-third payment in the amount one thousand four dollars and ninety-three cents (\$1,004.93), consisting of a principal payment of \$1,000.00 and an interest payment of \$4.93, shall be

paid within six hundred and ninety (690) days of the date on which this CAFO is mailed or hand-delivered to Respondent; and

- x. 24<sup>th</sup> Payment: The twenty-fourth payment in the amount of one thousand two dollars and forty-seven cents (\$1,002.47), consisting of a principal payment of \$1,000.00 and an interest payment of \$2.47, shall be paid within seven hundred and twenty (720) days of the date on which this CAFO is mailed or hand-delivered to Respondent.

Pursuant to the above schedule, Respondent will remit total principal payments for the civil penalty in the amount of twenty-four thousand dollars (\$24,000.00) and total interest payments in the amount of seven hundred thirty-seven dollars and twenty-six cents (\$737.26).

16. If Respondent fails to make one of the installment payments in accordance with the schedule set forth in Paragraph 15, above, the entire unpaid balance of the penalty and all accrued interest shall become due immediately upon such failure, and Respondent shall *immediately* pay the entire remaining principal balance of the civil penalty along with any interest that has accrued up to the time of such payment. In addition, Respondent shall be liable for and shall pay administrative handling charges and late payment penalty charges as described in Paragraphs 23 and 24, below, in the event of any such failure or default.
17. Notwithstanding Respondent's agreement to pay the assessed civil penalty in accordance with the installment schedule set forth in Paragraph 15, above, Respondent may pay the

entire civil penalty of twenty-four thousand dollars (\$24,000.00) within thirty (30) calendar days after the date on which a copy of this Consent Agreement and Final Order is mailed or hand-delivered to Respondent and, thereby, avoid the payment of interest pursuant to 40 C.F.R. § 13.11(a) as described in Paragraph 22, below. In addition, Respondent may, at any time after commencement of payments under the installment schedule, elect to pay the entire principal balance, together with accrued interest to the date of such full payment.

18. Respondent shall remit each installment payment for the civil penalty and interest, pursuant to Paragraph 15, above, and/or the full penalty, pursuant to Paragraphs 16 or 17, above, and/or any administrative fees and late payment penalties, in accordance with Paragraphs 23 and 24, below, via one of the following methods:

- a. Via U.S. Postal Service regular mail of a certified or cashier's check, made payable to the "United States Treasury," sent to the following address:

U.S. Environmental Protection Agency  
Fines and Penalties  
Cincinnati Finance Center  
PO Box 979077  
St. Louis, MO 63197-9000

- b. Via overnight delivery of a certified or cashier's check, made payable to the "United States Treasury," sent to the following address:

U.S. Environmental Protection Agency  
Fines and Penalties  
U.S. Bank  
1005 Convention Plaza  
Mail Station SL-MO-C2GL  
St. Louis, MO 63101

*The U.S. Bank customer service contact for regular and overnight delivery is Natalie Pearson, who may be reached at 314-418-4087.*

- c. Via electronic funds transfer (“EFT”) to the following account:

Federal Reserve Bank of New York  
ABA No. 021030004  
Account No. 68010727  
SWIFT address = FRNYUS33  
33 Liberty Street  
New York NY 10045  
(Field Tag 4200 of the Fedwire message should read “D 68010727  
Environmental Protection Agency”)

- d. Via automatic clearinghouse (“ACH”), also known as Remittance Express (“REX”), to the following account:

PNC Bank  
ABA No. 05136706  
Environmental Protection Agency  
Account 310006  
CTX Format  
Transaction Code 22 - checking  
808 17th Street NW  
Washington, D.C. 20074.

*The PNC Bank customer service contact, Jesse White, may be reached at 301-887-6548.*

- e. Via on-line payment (from bank account, credit card, debit card), access “www.pay.gov” and enter “sfo 1.1” in the search field. Open the form and complete the required fields.
19. All payments by the Respondent shall include Respondent’s full name and address and the EPA Docket Number of this Consent Agreement (FIFRA-03-2008-0168).
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20. At the time of payment, Respondent shall send notices of such payment, including a copy of the check, EFT authorization or ACH authorization, as appropriate to each of the following:

Lydia Guy  
Regional Hearing Clerk  
U.S. Environmental Protection Agency  
Region III (Mail Code 3RC00)  
1650 Arch Street  
Philadelphia, PA 19103-2029

and

James Heenehan  
Senior Assistant Regional Counsel  
U.S. Environmental Protection Agency  
Region III (Mail Code 3RC30)  
1650 Arch Street  
Philadelphia, PA 19103-2029

21. Pursuant to 31 U.S.C. § 3717 and 40 C.F.R. § 13.11, EPA is entitled to assess interest and late payment penalties on outstanding debts owed to the United States and a charge to cover the costs of processing and handling a delinquent claim, as more fully described below. Accordingly, Respondent's failure to make timely payment as specified in this Consent Agreement and Final Order shall result in the assessment of late payment charges including interest, penalties, and/or administrative costs of handling delinquent debts.

22. Interest on the civil penalty assessed in this CAFO will begin to accrue on the date that a copy of this CAFO is mailed or hand-delivered to Respondent. However, EPA will not seek to recover interest on any amount of the civil penalty that is paid within thirty (30) calendar days after the date on which such interest begins to accrue. Interest will be assessed at the rate of the United States Treasury tax and loan rate in accordance with 40 C.F.R. § 13.11(a).
23. The costs of the Agency's administrative handling of overdue debts will be charged and assessed monthly throughout the period the debt is overdue. 40 C.F.R. § 13.11(b). Pursuant to Appendix 2 of EPA's *Resources Management Directives - Cash Management*, Chapter 9, EPA will assess a \$15.00 administrative handling charge for administrative costs on unpaid penalties for the first thirty (30) day period after the payment is due and an additional \$15.00 for each subsequent thirty (30) days the penalty remains unpaid.
24. A late payment penalty charge of six percent per year will be assessed monthly on any portion of the civil penalty which remains delinquent more than ninety (90) calendar days. 40 C.F.R. § 13.11(c). Should assessment of the penalty charge on the debt be required, it shall accrue from the first day payment is delinquent. 31 C.F.R. § 901.9(d).
25. Respondent agrees not to deduct for civil taxation purposes the civil penalty specified in this Consent Agreement and the attached Final Order.

**IV. CERTIFICATION OF COMPLIANCE**

26. As to all relevant provisions of FIFRA allegedly violated as set forth in the Findings of Fact and Conclusions of Law, above, Respondent certifies to EPA that, upon investigation, to the best of Respondent's knowledge and belief, Respondent is currently in compliance with all such relevant provisions and regulations. Specifically, Respondent certifies that it is no longer distributing or selling the products known as "Microbloc MMR (Mold & Mildew Remover)", "Microbloc DSP (Durable Surface Protectant)", and "Microbloc MSE (Mold Stain Encapsulant)" and will not distribute or sell such products unless and until such products are registered with EPA pursuant to Section 3 of FIFRA, 7 U.S.C. § 136a, and labeled consistent with the labeling approved by EPA as part of the process of registering such products.

**V. RESERVATION OF RIGHTS**

27. This CAFO resolves only EPA's civil claims for penalties under FIFRA based on the specific violations which are alleged against Respondent in the Amended Complaint. EPA reserves the right to commence action against any person, including Respondent, in response to any condition which EPA determines may present an imminent and substantial endangerment to the public health, public welfare, or the environment. In addition, this settlement is subject to all limitations on the scope of resolution and to the reservation of rights set forth in Section 22.18(c) of the Consolidated Rules of Practice. Further, EPA reserves any rights and remedies available to it under FIFRA, the

regulations promulgated thereunder, and any other federal laws or regulations for which EPA has jurisdiction, to enforce the provisions of this CAFO, following its filing with the EPA Regional Hearing Clerk.

#### **VI. OTHER APPLICABLE LAW**

28. Nothing in this CAFO shall relieve Respondent of any duties otherwise imposed upon it by applicable federal, state, or local law, regulation and/or ordinance.

#### **VII. FULL AND FINAL SATISFACTION**

29. Payment of the penalty specified in Paragraph 13, above, and any associated interest payments, administrative handling costs and/or late payment fees set forth in Paragraphs 23 and 24, above, shall constitute full and final satisfaction of all civil claims for penalties which Complainant may have under FIFRA for the specific violations alleged against Respondent in the Amended Complaint. Compliance with this CAFO shall not be a defense to any action commenced at any time for any other violation of the federal laws and regulations administered by EPA.

#### **VIII. PARTIES BOUND**

30. This Consent Agreement and the accompanying Final Order shall apply to and be binding upon the EPA, the Respondent, Respondent's officers and directors (in their official capacity) and Respondent's successors and assigns. By his or her signature below, the
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person signing this Consent Agreement on behalf of Respondent acknowledges that he or she is fully authorized to enter into this Consent Agreement and to bind the Respondent to the terms and conditions of this Consent Agreement and the accompanying Final Order.


**VI. EFFECTIVE DATE**

31. The effective date of this Consent Agreement and Final Order is the date on which it is filed with the Regional Hearing Clerk after signature by the Regional Judicial Officer or Regional Administrator.

The undersigned representative of Respondent certifies that he is fully authorized by Respondent to execute this Consent Agreement and to legally bind Respondent to this Consent Agreement.


For Respondent Paradigm Labs, Inc.:

Date: 8-8-08

By:   
Terry K. Maier, President  
Paradigm Labs, Inc.


For Complainant United States Environmental Protection Agency, Region III:

Date: 8/12/08

By:   
James Heenehan  
Senior Assistant Regional Counsel

After reviewing the foregoing Consent Agreement and other pertinent information, the Director, Land and Chemicals Division, U.S. Environmental Protection Agency, Region III, recommends that the Regional Administrator or the Regional Judicial Officer issue the Final Order attached hereto.

8/13/08  
Date

By:   
Abraham Ferdas, Director  
Land and Chemicals Division

## **Exhibit A**

### **Documents Submitted by Respondent to Support its Ability-to-Pay Penalty Mitigation Position**

1. 2005 Paradigm Labs Tax Return;
2. 2006 Paradigm Labs Tax Return;
3. 2007 Paradigm Labs Tax Return;
4. Paradigm Labs Financial Statements - December 31, 2006 and 2005; and
5. Paradigm Labs Profit/Loss January through June 2008.

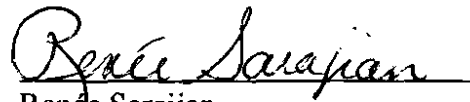


based on a consideration of the factors set forth in Section 14(a)(4) of FIFRA, 7 U.S.C.

§ 136(a)(4), Respondent Paradigm Labs, Inc. is hereby ordered to pay a civil penalty of Twenty-Four Thousand dollars (\$24,000.00), as set forth in Section III of the Consent Agreement, and to comply with the terms and conditions of the Consent Agreement.

The effective date of this document is the date on which it is filed with the Regional Hearing Clerk after signature by the Regional Administrator or Regional Judicial Officer.

Date: 8/14/08

  
Renee Sarajian  
Regional Judicial Officer  
U.S. EPA, Region III

