

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 4 SAM NUNN ATLANTA FEDERAL CENTER 61 FORSYTH STREET ATLANTA GEORGIA 30303-8960

MAR 0 1 2011

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Mr. Lenny F. Abbott Chief Executive Officer Protective Coatings Group, LLC PO Box 61912 Jacksonville, Florida 32236

> Re: Protective Coatings Group, LLC Docket No.: FIFRA-04-2011-3006(b)

Dear Mr. Abbott:

Enclosed is a copy of the ratified Consent Agreement and Final Order (CAFO) in the above-referenced matter. The original CAFO has been filed with the Regional Hearing Clerk and served on the parties as directed in Section 22.6 of the Consolidated Rules of Practice, 40 C.F.R. Part 22.

As stated in Section V of the CAFO, the assessed penalty of \$1,500 is due within 30 days from the effective date. Please ensure that the face of your cashier's or certified check includes the name of the company and the docket number of this case.

Penalty payment questions should be directed to Mr. Bryson Lehman either by telephone at (513) 487-2123 or by written correspondence to his attention at the U.S. Environmental Protection Agency, Cincinnati Accounting Operations address identified in the CAFO. Should you have any questions about this matter or your compliance status in the future, please call me at (404) 562-8979 or Ms. Molly Miller at (404) 562-9684. Also enclosed is a copy of a document entitled "Notice of Securities and Exchange Commission Registrants' Duty to Disclose Environmental Legal Proceedings." This document puts you on notice of your potential duty to disclose to the Securities and Exchange Commission (SEC) any environmental enforcement actions taken by EPA.

Sincerely,

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Jeaneanne M. Gettle Chief Pesticides and Toxic Substances Branch

Enclosures

cc: Craig Bryant Florida Dept. of Agriculture and Consumer Services

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY ATLANTA, GEORGIA

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In the Matter of:

Protective Coatings Group, LLC

Respondent.

Docket No.: FIFRA-04-2011-3006(b).

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CONSENT AGREEMENT AND FINAL ORDER

I. Nature of the Action

- This is a civil penalty proceeding pursuant to Section 14(a) of the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, 7 U.S.C. § 136*l*(a) (FIFRA), and pursuant to the Consolidated Rules of Practice Governing Administrative Assessment of Civil Penaltics and the Revocation/Termination or Suspension of Permits (Consolidated Rules), 40 C.F.R. Part 22. Complainant is the Director of the Air, Pesticides, and Toxics Management Division, United States Environmental Protection Agency, Region 4 (EPA). Respondent is Protective Coatings Group, LLC.
- 2. Complainant and Respondent have conferred for the purpose of settlement pursuant to 40 C.F.R. § 22.18 and desire to resolve this matter and settle the allegations described herein without a formal hearing. Therefore, without the taking of any evidence or testimony, the making of any argument, or the adjudication of any issue in this matter, and in accordance with 40 C.F.R. § 22.13(b), this Consent Agreement and Final Order (CAFO) will simultaneously commence and conclude this matter.

II. Preliminary Statements

- 3. The authority to take action under Section 14(a) of FIFRA, 7 U.S.C. § 136/(a), is vested in the Administrator of EPA. The Administrator of EPA has delegated this authority under FIFRA to EPA Region 4 by EPA Delegation 5-14, dated May 11, 1994.
- Pursuant to 40 C.F.R. § 22.5(c)(4) the following individual is authorized to receive service for EPA in this proceeding:

Molly Miller Pesticides Section U.S. EPA - Region 4 61 Forsyth Street Atlanta, Georgia 30303-8960 (404) 562-9684.

- Respondent is Protective Coatings Group, LLC, a Florida limited liability company.
 located at 5587 Commonwealth Avenue, Jacksonville, Florida.
- Respondent is a "person" as defined by Section 2(s) of FIFRA, 7 U.S.C. § 136(s), and as such is subject to FIFRA and the regulations promulgated thereunder.

III. Specific Allegations

- On or about September 4, 2007, an authorized representative of the EPA conducted an inspection at Respondent's facility located at 5587 Commonwealth Avenue, Jacksonville, Florida.
- During the September 4, 2007, inspection, the representative noted the following products were being sold or distributed by Respondent: FortiCel and MycoDyne.
- On or about July 23, 2010, an authorized representative of the EPA conducted an inspection and review of Respondent's website: <u>http://4pcg.com</u>.

- During the July 23, 2010, inspection, the representative noted the following products were offered for sale or distribution on Respondent's website: FortiCel, MycoDyne and ProClean 101.
- 11. At the time of distribution or sale, the pesticides FortiCel, MycoDyne and ProClean 101 were accompanied with labeling describing their ability to prevent or remove mold, mildew and/or fungal growth.
- The term "to distribute or sell" as defined by Section 2(gg) of FIFRA, 7 U.S.C.
 § 136(gg), includes to distribute, sell, offer for sale, hold for distribution, hold for sale, hold for shipment, ship, deliver for shipment, or release for shipment.
- "Pesticide" is defined in Section 2(u)(1) of FIFRA, 7 U.S.C. § 136(u), as any substance or mixture of substances intended for preventing, destroying, repelling, or mitigating any pest.
- 14. "Labeling" is defined in Section 2(p)(2) of FIFRA, 7 U.S.C. § 136(p)(2) to include all labels and all other written, printed, or graphic matter accompanying the pesticide at any time.
- 15. "Pest" is defined in Section 2(t) of FIFRA. 7 U.S.C. § 136(t) as any insect, rodent, nematode, fungus, weed, or any other form of terrestrial or aquatic plant or animal life or virus, bacteria, or other micro-organism (except viruses, bacteria, or other micro-organisms on or in living man or other living animals) which the Administrator declares to be a pest under Section 25(c)(1).
- At the time of the September 4, 2007 inspection, FortiCel and MycoDyne were not registered as posticides with EPA.

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- At the time of the July 23, 2010, inspection, FortiCel, MycoDyne and ProClean 101 were not registered as pesticides with EPA.
- Pursuant to Section 12(a)(1)(A) of FIFRA, 7 U.S.C. § 136j(a)(1)(A), it is unlawful for any person to distribute or sell to any person any pesticide that is not registered under Section 3 of FIFRA, 7 U.S.C. § 136a.
- 19. Respondent violated Section 12(a)(1)(A) of FIFRA, 7 U.S.C. § 136j(a)(1)(A), by selling and distributing the unregistered pesticide FortiCel on at least two occasions; the unregistered pesticide MycoDyne on at least two occasions; and the unregistered pesticide ProClean 101 on at least one occasion. Respondent is therefore subject to the assessment of civil penalties under Section 14 of FIFRA, 7 U.S.C. § 136*l*.
- Section 14(a) of FIFRA, 7 U.S.C. §136/(a), in conjunction with the Debt Collection Improvement Act of 1996, authorizes the assessment of a civil penalty.
- 21. Section 14(a)(4) of FIFRA, 7 U.S.C. §136l(a)(4), requires EPA to consider the appropriateness of the assessed penalty to the size of business of the Respondent, the effect on Respondent's ability to continue in business, and the gravity of the violation.
- After consideration of the factors set forth in Section 14(a)(4) of FIFRA, 7 U.S.C.
 § 136/(a)(4), EPA proposes to assess a total civil penalty of ONE THOUSAND FIVE
 HUNDRED DOLLARS (\$1,500) against the Respondent for the above-described
 violations. Civil penaltics under Section 14(a) of FIFRA, 7 U.S.C. § 136/(a), may be assessed by Administrative Order.

IV. Consent Agreement

23. For the purposes of this CAFO, Respondent admits the jurisdictional allegations set forth above and neither admits nor denies the factual allegations.

- 24. Respondent waives its right to a hearing on the allegations contained herein and its right to appeal the proposed Final Order accompanying the Consent Agreement.
- Respondent consents to the assessment of the penalty proposed by EPA and agrees to pay the civil penalty as set forth in this CAFO.
- Respondent certifies that as of the date of its execution of this CAFO, it is in compliance with all relevant requirements of FIFRA.
- 27. Compliance with this CAFO shall resolve the allegations of the violations contained herein. This CAFO shall not otherwise affect any liability of Respondent to the United States. Other than as expressed herein, neither EPA nor Complainant waives any right to bring an enforcement action against Respondent for violation of any federal or state statute, regulation or permit, to initiate an action for imminent and substantial endangerment, or to pursue criminal enforcement.
- 28. Complainant and Respondent agree to settle this matter by their execution of this CAFO. The parties agree that the settlement of this matter is in the public interest and that this CAFO is consistent with the applicable requirements of FIFRA.

V. Final Order

- Respondent is assessed a civil penalty of ONE THOUSAND FIVE HUNDRED
 DOLLARS (\$1,500) which shall be paid within 30 days from the effective date of this
 CAFO.
- 30. Respondent shall remit the penalty by either a cashier's or certified check made payable to the "Treasurer, United States of America," and shall send the check via U.S. mail to the following address:

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

The check shall reference on its face the name of the Respondent and the Docket Number of the CAFO.

31. At the time of payment, Respondent shall send a separate copy of the check and a written

statement that the payment is being made in accordance with this CAFO, to the following

persons at the following addresses:

Regional Hearing Clerk U.S. EPA - Region 4 61 Forsyth Street Atlanta, Georgia 30303-8960;

Molly Miller Pesticides Section U.S. EPA - Region 4 61 Forsyth Street Atlanta, Georgia 30303-8960; and

Satundi Wilson Office of Environmental U.S. EPA - Region 4 61 Forsyth Street Atlanta, Georgia 30303-8960.

- 32. For the purposes of state and federal income taxation, Respondent shall not be entitled, and agrees not to attempt, to claim a deduction for any civil penalty payment made pursuant to this CAFO. Any attempt by Respondent to deduct any such payments shall constitute a violation of this CAFO.
- 33. Pursuant to 31 U.S.C. § 3717, EPA is entitled to assess interest and penalties on debts owed to the United States and a charge to cover the cost of processing and handling a delinquent claim. Interest will therefore begin to accrue on the civil penalty from the date of entry of this CAFO, if the penalty is not paid by the date required. A charge will also

be assessed to cover the administrative costs, both direct and indirect, of overdue debts. In addition, a late payment penalty charge shall be applied on any principal amount not paid within 90 days of the due date.

- 34. Complainant and Respondent shall bear their own costs and attorney fees in this matter.
- 35. This CAFO shall be binding upon the Respondent, its successors and assigns.
- 36. The undersigned representative of the party to this CAFO certifies that he or she is fully authorized by the party represented to enter into this CAFO and legally binds that party to this CAFO.

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VI. Effective Date

37. The effective date of this CAFO shall be the date on which the CAFO is filed with the

Regional Hearing Clerk.

AGREED AND CONSENTED TO:

Respondent: Protective Coatings Group, LLC Docket No.: FIFRA-04-2011-3006(b)

(Signature) Date: 1/24/2011 By: Name: Leway F. Abb 7 (Typed or Printed) Title: <u>CEO</u> (Typed or Printed)

Complainant:

U.S. Environmental Protection Agency

mber for Bv: Beverly H. Banister, Director

Date: 2/22/11

Beverly H. Banister, Director Air, Pesticides and Toxies Management Division

APPROVED AND SO ORDERED this / _____ day of ______ day of _______ 20//_.

B. Arhus

Susan B. Schub Regional Judicial Officer

CERTIFICATE OF SERVICE

I hereby certify that on the date set out below, I filed the original and one copy of the foregoing Consent Agreement and Final Order and served a true and correct copy of the foregoing Consent Agreement and Final Order In the Matter of Protective Coatings Group, LLC.

Docket Number: FIFRA-04-2011-3006(b), to the addressees listed below.

(via Certified Mail, Return Receipt Requested)

Lenny F. Abbott Chief Executive Officer Protective Coatings Group, LLC P.O. Box 61912 Jacksonville, Florida 32236

(via EPA's internal mail)

(via EPA's internal mail)

Molly Miller Pesticides Section U.S. EPA Region 4 61 Forsyth Street, S.W. Atlanta, Georgia 30303

Robert Caplan Associate Regional Counsel Office of Environmental Accountability U.S. EPA Region 4 61 Forsyth Street, S.W. Atlanta, Georgia 30303

Date: <u>2</u>-1-11

Returnet 200

Patricia A. Bullock, Regional Hearing Clerk U.S. Environmental Protection Agency, Region 4 Atlanta Federal Center 61 Forsyth St., SW Atlanta, Georgia 30303 (404) 562-9511

EPA ACCOUNTS RECEIVABLE CONTROL NUMBER FORM

TO BE COMPLETED BY THE ORIGINATING OFFICE:

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| (Attach a copy of the final order and | I transmittal letter to Defendant/Respondent) |
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| L . | Debt Tracking Officer Environmental Enforcement Section Department of Justice RM 1647 P.O. Box 7611, Bonjacola Franklin Station Washington, D.C. 20044 | 2. 3. | Originating Office (EAD) Designated Program Offic | * |
| 8. <u>ad</u> | MENISTRATIVE ORDERS: Copies of this form . | rith an atta | ched copy of the front page of | the Administrative Order should be to |
| 1. 2 | Originating Offics Regional Hearing Clerk | 1. | Designated Program Offic Regional Counsel (EAD) | × |

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