



UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
BEFORE THE ADMINISTRATOR

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In the Matter of:)
)
Patrick Wilber, YaYa Milwaukee, LLC,) Docket No. TSCA-05-2011-0021
and Sancho Properties, LLC,)
)
Respondents) Dated: March 15, 2012

PREHEARING ORDER

As you were previously notified, I have been designated to preside in this proceeding, which is governed by the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits, 40 C.F.R. §22.1 et seq., (“Rules of Practice” or “Rules”). The Rules of Practice, and for further guidance, an informal Practice Manual, and significant orders and decisions issued by the EPA Office of Administrative Law Judges, may be found on the office’s website at <http://www.epa.gov/oalj>. The parties are advised to familiarize themselves with the applicable statute(s) and the Rules of Practice.

Agency policy strongly supports settlement of a proceeding without a formal hearing. Procedures and policies regarding settlement are set forth in the Rules of Practice at 40 C.F.R. §22.18. If the parties have engaged in settlement discussions to resolve this matter, the parties are commended for taking the initiative to resolve this matter informally and expeditiously through Alternative Dispute Resolution. The parties are reminded that pursuing this matter through a hearing and possible appeals will require the expenditure of significant amounts of time and financial resources. The parties should also realistically consider the risk of not prevailing in the proceeding despite such expenditures, and should consider that a settlement allows the parties to control the outcome of the case. The parties are encouraged to engage in further settlement negotiations during the course of this proceeding, to attempt to reach an amicable resolution of this matter.

The parties are directed to engage in a settlement conference, and Complainant shall file a **status report** as to the progress of settlement (without describing any specific terms) on or before **April 6, 2012**. If the case is settled, the Consent Agreement and Final Order (CAFO) signed by the parties should be filed no later than **April 20, 2012**, with a copy sent to the undersigned.

If a CAFO is not finalized on or before the latter date, the parties must prepare for hearing and shall strictly comply with the prehearing requirements of this Order.

I. Prehearing Exchange. Pursuant to Section 22.19(a) of the Rules, the parties are directed to engage in the following prehearing exchange. Respondents may file one prehearing exchange collectively.

A. Each party shall file with the Regional Hearing Clerk, and shall serve on the opposing party and on the undersigned Judge the following Prehearing Exchange:

1. The names of any witnesses the party intends to call at the hearing, identifying each as a fact witness or an expert witness, and a brief narrative summary of the expected testimony of each witness, or a statement that no witnesses will be called.
2. Copies of all documents and exhibits intended to be introduced into evidence at the hearing. Included among the documents produced shall be a curriculum vita or resume for each identified expert witness. The documents and exhibits shall be identified as Complainant's or Respondent's exhibit, as appropriate, and numbered with Arabic numerals (e.g., CX 1 or RX 1). The copies may be printed double-sided.
3. A statement of the city or county in which the party prefers the hearing to be held, and an estimate of the time needed to present its direct case. See 40 C.F.R. §§ 22.19(d), 22.21(d). Also, a statement of whether translation services are necessary for the testimony of any anticipated witness(es), and if so, the language to be translated.

B. Complainant also shall submit the following as part of its Initial Prehearing Exchange:

1. A copy of any documents in support of the factual allegations in the Complaint which were not admitted by Respondents.
2. A narrative statement explaining in detail how the proposed penalty was calculated, addressing each penalty factor set forth in the applicable statute, and describing how the specific provisions of any penalty policies and/or guidelines were applied in calculating the penalty. A penalty worksheet with supporting narrative statement may be submitted.
3. A copy, or a statement of the internet address (URL), of any penalty policies and/or guidelines, and any amendment, appendix or clarification thereto, considered by Complainant in calculating the proposed penalty. Complainant need not submit a hard copy of any penalty policy that was enclosed with the Complaint, or of the Amendments to EPA's Civil Penalty Policies to Implement the 2008 Civil Monetary Penalty Inflation Adjustment Rule.
4. A statement as to whether the Paperwork Reduction Act of 1980 ("PRA"), 44 U.S.C. §§ 3501 *et seq.*, applies to this proceeding, whether there is a current Office of Management and Budget control number involved herein, and whether the provisions of

Section 3512 of the PRA are applicable in this case.

C. Respondent(s) shall also submit responses, numbered according to the list below, to each of the following as part of their Prehearing Exchange:

1. State whether the Answer, dated November 17, 2011, represents the Answer of Patrick Wilber alone, or whether it represents the Answer of Mr. Wilber as well as YaYa Milwaukee and Sancho Properties, LLC.
2. State whether Respondents' place of business is located at the address stated in Paragraph 3 of the Complaint.
3. State whether Respondents owned, between November 1, 2006 and May 12, 2008, the properties listed in Paragraph 15 of the Complaint.
4. State whether the properties listed in Paragraph 15 of the Complaint were constructed prior to 1978.
5. State whether Respondents entered into the 16 lease agreements listed in Paragraph 20 of the Complaint.
6. State whether each of the 16 lease agreements covered a term of occupancy greater than 100 days.
7. For each of the contracts referenced in Counts 1 through 13 on pages 7 and 8 of the Complaint, state whether Respondents included a Lead Warning Statement in the contract.
8. For each of the contracts referenced in Counts 14 through 26 on pages 9 through 12 of the Complaint, state whether Respondents included a statement with the contract about the presence of, or Respondent's lack of knowledge of, any lead-based paints and lead based paint hazards in the property being leased.
9. For each of the contracts referenced in Counts 27 through 39 on pages 12 through 15 of the Complaint, state whether Respondents included with the contract a list of any records or reports regarding lead -based paints and lead based paint hazards in the property being leased.
10. For each of the contracts referenced in Counts 40 through 52 on pages 16 through 19 of the Complaint, state whether Respondents included with the contract the lessee's statement affirming receipt of the Lead Hazard Information Pamphlet.

11. For each of the contracts referenced in Counts 53 through 68 on pages 19 through 22 of the Complaint, state whether Respondents included with the contract the lessee's signature certifying to the accuracy of their statements and the date of the signature.
12. State clearly in complete sentences the defenses written in the Answer to the Complaint. State the details of each of the defenses. Submit a copy of any documents in support of the defenses.
13. State in detail why the proposed penalty should be reduced or eliminated.
14. Submit a copy of any tax returns and/or any other documents in support of any claim that Respondents are unable to pay the proposed penalty of \$140,330.
15. Submit a copy of any other documents in support of a claim that the proposed penalty should be reduced or eliminated.

D. Complainant shall submit as part of its Rebuttal Prehearing Exchange a statement and/or any documents in response to Respondent's Prehearing Exchange submittals.

The prehearing exchanges described above shall be filed according to the following schedule:

Complainant shall file its Initial Prehearing Exchange **on or before April 20, 2012.**

Respondents shall file their Prehearing Exchange(s) **on or before May 18, 2012.**

Complainant shall file any Rebuttal Prehearing Exchange **on or before June 1, 2012.**

Section 22.19(a) of the Rules of Practice provides that, except in accordance with Section 22.22(a), any document not included in the prehearing exchange shall not be admitted into evidence, and any witness whose name and testimony summary are not included in the prehearing exchange shall not be allowed to testify. Therefore, each party is advised to carefully and thoughtfully prepare its prehearing exchange.

II. Supplement to Prehearing Exchange. If a party wishes to present at the hearing any additional exhibit(s) or proposed witness(es), the party shall file a supplement to the prehearing exchange. Such supplement shall include a copy of the exhibit(s) and/or witness name and summary of testimony, as appropriate, and an accompanying motion to supplement the prehearing exchange explaining why the exhibit(s) or witness(es) were not provided in the

prehearing exchange. Such supplements should be filed as soon as possible, and at least 15 days before the hearing. *See*, 40 C.F.R. § 22.22(a)(1).

III. Default and Opportunity for Hearing. The Complaint gave the Respondents notice and opportunity for a hearing, in accordance with Section 554 of the Administrative Procedure Act (APA), 5 U.S.C. § 554. In the Answer to the Complaint, the Respondents exercised their right to request such a hearing. In this regard, Section 554(c)(2) of the APA sets out that a hearing be conducted under Section 556 of the APA. Section 556(d) provides that a party is entitled to present its case or defense by oral or documentary evidence, to submit rebuttal evidence, and to conduct such cross-examination as may be required for a full and true disclosure of the facts. Thus, the Respondents have the right to defend against the Complainant's charges by way of direct evidence, rebuttal evidence or through cross-examination of Complainant's witness. Respondents are entitled to elect any or all three means to pursue its defenses.

If Respondents intend only to conduct cross-examination of Complainant's witnesses and NOT to present any evidence, Respondents shall file a statement to that effect on or before the date for filing its prehearing exchange.

The Respondents are each hereby notified that if it fails to timely submit either a prehearing exchange as described herein, or a statement that it has chosen only to conduct cross-examination of the Complainant's witnesses, a default judgment may be issued against it assessing the penalty proposed in the Complaint. The Complainant is notified that if it fails to file its prehearing exchange in a timely manner, this case can be dismissed with prejudice. Active settlement negotiations or even a settlement in principle is NOT an excuse for failing to submit a timely prehearing exchange. Each party MUST comply with the filing deadlines UNLESS a fully executed CAFO is filed with the Hearing Clerk OR the Administrative Law Judge has granted that party an extension of time to file.

III. Filing and Service. Each document that is "filed" must also be "served" on the undersigned and on the opposing party. A certificate of service must be attached to all filed documents. 40 C.F.R. § 22.5(a)(3). According to the Rules, 40 C.F.R. § 22.5(a), a document is "filed" on the date the Regional Hearing Clerk receives it. Therefore, the parties should send a document in enough time before it is due so that the Regional Hearing Clerk will receive it by the due date. To ensure that the undersigned receives a document on time, a courtesy copy may be sent to the Office of Administrative Law Judges by email, at oaljfiling@epa.gov, or by facsimile, at (202) 565-0044. A hard copy of all filings, except for status reports and motions merely requesting an extension of time, also must be sent by mail to the undersigned.

Prehearing exchange information required by this Order to be sent to the undersigned, as well as any motions or other documents to be filed in this proceeding, shall be addressed as follows:

If sending by United States Postal Service:

The Honorable M. Lisa Buschmann
Office of Administrative Law Judges
U.S. Environmental Protection Agency
Mail Code 1900L
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460

If sending by a non-USPS courier, such as UPS or Federal Express:

The Honorable M. Lisa Buschmann
Office of the Administrative Law Judges
U.S. Environmental Protection Agency
1099 14th Street, N.W., Suite 350
Washington, D.C. 20005

The parties are advised NOT to include, attach or refer to any terms of settlement offers or agreements in any document sent to the undersigned, and no copies of Consent Agreements and Final Orders shall be submitted, or attached to any document submitted, to the undersigned except those that are fully executed and filed with the Regional Hearing Clerk.

IV. Contact Information. Telephone contact may be made with my legal assistant, Knolyn Jones, at (202) 564-6262 to ask whether a document has been received or issued. For procedural questions, email or telephone contact may be made with the judges' staff attorneys Michael Wright, Esq., at wright.michaelB@epa.gov or (202) 564-3247, or Ed Kulschinsky, Esq., at kulschinsky.edward@epa.gov or (202) 564-4133. The facsimile number is (202) 565-0044.

V. Courtesy Copies. If any party wishes to receive, by e-mail or by facsimile, an expedited courtesy copy of decisions and substantive orders issued in this proceeding, the party shall submit a request for expedited courtesy copies by letter addressed to Knolyn Jones, Legal Staff Assistant, Office of Administrative Law Judges, U.S. Environmental Protection Agency, Mail Code 1900 L, 1200 Pennsylvania Avenue, N.W. Washington, D.C. 20460 or sent to her by email at oyalifiling@epa.gov. The letter shall include the case docket number, the e-mail address or facsimile number to which the copies are to be sent, and a statement as to whether the party requests: (A) expedited courtesy copies of the initial decision and/or any orders on motion for accelerated decision or dismissal, or (B) expedited courtesy copies of all decisions and substantive orders. The undersigned's office will endeavor to comply with such requests, but does not guarantee the party's receipt of expedited courtesy copies.

VI. Procedures for Motions and Extensions of Time. A party intending to file a motion is directed to contact the other party or parties to inquire whether it has any objection to the relief sought in the motion. The motion shall then state whether or not the other party objects to the

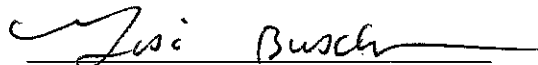
relief sought. A party must not assume that an unopposed motion will be granted.

All motions must be submitted in sufficient time to allow the other party or parties to file a response and/or to allow time for a ruling on the motion before the hearing or any relevant deadline set by this or any subsequent order. The Rules of Practice, 40 C.F.R. §§ 22.16(b) and 22.7(c), allow a 15-day response period for motions with an additional five days if the pleading is served by mail. Any party requesting an extension of time to file a document must file a written motion in accordance with 40 C.F.R. §§ 22.5, 22.7(b) and 22.16, which should be received by the undersigned at least one day prior to the due date if unopposed, and at least a week prior to the due date if opposed. Motions not filed in a timely manner may not be considered.

VII. Dispositive Motions. If Respondents in their Answer have requested dismissal of the Complaint, Respondents are advised that such request does not constitute a motion under 40 C.F.R. § 22.16(a) as it does not state the grounds for a motion with particularity. If the Respondents seek dismissal of the Complaint, or any portion thereof, they may file a motion for dismissal in accordance with 40 C.F.R. §§ 22.5, 22.16 and 22.20.

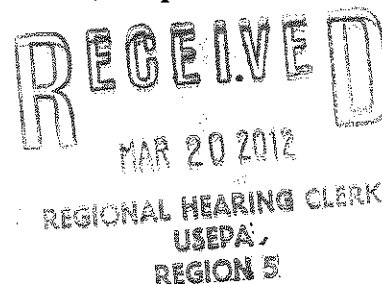
If a party intends to file any dispositive motion regarding liability, such as a motion for accelerated decision or motion to dismiss under 40 C.F.R. § 22.20 (a), it shall be filed **within thirty days after the due date for Complainant's Rebuttal Prehearing Exchange.**

SO ORDERED.



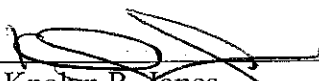
M. Lisa Buschmann
Administrative Law Judge

In the Matter of Patrick Wilber, YaYa Milwaukee & Sancho Properties LLC, Respondent.
Docket No. TSCA-05-2011-0021



CERTIFICATE OF SERVICE

I certify that the foregoing **Prehearing Order**, dated March 15, 2012, was sent this day in the following manner to the addressees listed below.



Knolyn R. Jones
Legal Staff Assistant

Original and One Copy by Pouch Mail to:

LaDawn Whitehead
Regional Hearing Clerk
U.S. EPA, Region V, E-19J
77 West Jackson Blvd., 13th Floor
Chicago, IL 60604-3590

One Copy by Mail to:

Richard Clarizio, Esq.
Associate Regional Counsel
U.S. EPA, Reg. V
77 West Jackson Blvd., 13th
Chicago, IL 60604-3590
Fx: 312.886.7160

One Copy by Mail to:

Patrick Wilber
Registered Agent
YaYa Milwaukee, LLC
10511 W. Silver Spring Drive
Milwaukee, WI 53225

Dated: March 15, 2012
Washington, D.C.