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10 SEP 2021
U.S. EPA - REGION IX

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 HAWTHORNE STREET
SAN FRANCISCO, CALIFORNIA 94105

In the Matter of:)	Docket No. CAA-09-2021-0036
)	
Black Horse Trading Corp. and)	CONSENT AGREEMENT AND
SLH Trading Corp.)	FINAL ORDER PURSUANT TO
)	40 C.F.R. §§ 22.13 and 22.18
)	
Walnut, California)	
)	
Respondents.)	
_____)	

I. CONSENT AGREEMENT

A. Preliminary Statement

1. This is a civil administrative penalty assessment proceeding brought under section 205(c)(1) of the Clean Air Act (“CAA” or the “Act”), 42 U.S.C. § 7524(c)(1), and sections 22.13 and 22.18 of the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits (“Consolidated Rules”), as codified at 40 C.F.R. Part 22. In accordance with 40 C.F.R. §§ 22.13 and 22.18, entry

of this Consent Agreement and Final Order ("CAFO") simultaneously initiates and concludes this matter.

2. Complainant is the Assistant Director of the Air, Waste & Chemicals Branch of the Enforcement and Compliance Assurance Division, U.S. Environmental Protection Agency Region IX (the "EPA"), who has been delegated the authority to initiate and settle civil administrative penalty proceedings under section 205(c)(1) of the CAA, 42 U.S.C. § 7424(c)(1). EPA Delegation 7-19 (January 18, 2017); EPA Region 9 Redefinition R9-7-19 (October 5, 2017); Memorandum from John W. Busterud, Regional Administrator, Region 9, to all Region 9 supervisors and employees re: EPA R9 Organizational Realignment General Redefinition of Authority (May 5, 2020).

3. Respondents are Black Horse Racing Corp. and SLH Trading Corp. (collectively as "SLH"), California corporations distributing motor vehicle parts and both headquartered at 153 Redstone Dr. in Walnut, California.

4. Complainant and Respondents, having agreed that settlement of this action is in the public interest, consent to the entry of this CAFO without adjudication of any issues of law or fact herein, and Respondents agree to comply with the terms of this CAFO.

B. Governing Law

5. This proceeding arises under Part A of Title II of the CAA, CAA §§ 202-219, 42 U.S.C. §§ 7521-7554, and the regulations promulgated thereunder. These laws aim to reduce emissions from mobile sources of air pollution, including hydrocarbons and oxides of nitrogen ("NOx").

6. Section 203(a)(3)(B) of CAA, 42 U.S.C. § 7522(a)(3)(B), prohibits any person from manufacturing, selling, offering to sell, or installing parts or components where a principal effect is to bypass, defeat, or render inoperative a motor vehicle emission control device or element of

design, where the person knows or should know that the part is being offered for sale or installed for such use.

7. Violations of CAA section 203(a)(3)(B) are subject to civil penalties of up to \$4,876 per defeat device violation that occurred after November 2, 2015, where penalties are assessed on or after December 23, 2020. Section 205 of the CAA, 42 U.S.C. § 7524 and 40 C.F.R. Part 19.

8. Definitions:

a. Section 302(e) of the CAA, 42 U.S.C. § 7602(e), defines "person" as "an individual, corporation, partnership, association, State, municipality, political subdivision of a State, and any agency, department, or instrumentality of the United States and any officer, agent or employee thereof."

b. Section 216(2) of the CAA, 42 U.S.C. § 7550(2), defines "motor vehicle" as "any self-propelled vehicle designed for transporting persons or property on a street or highway."

9. The CAA requires EPA to prescribe and revise, by regulation, standards applicable to the emission of any air pollutant from new motor vehicles or new motor vehicle engines which cause or contribute to air pollution, which may reasonably be anticipated to endanger public health or welfare. CAA §§ 202(a)(1) and (3)(B), 42 U.S.C. §§ 7521(a)(1) and (3)(B).

10. Highway motor vehicles are one category of motor vehicles for which the EPA has promulgated emission standards. See 42 U.S.C. § 7521; see generally 40 C.F.R. Part 86.

11. Highway motor vehicle manufacturers employ many devices and elements of design to meet these emission standards. Certain hardware devices serve as emission control systems to manage and treat exhaust from highway motor vehicles in order to reduce levels of regulated

pollutants from being created or emitted into the ambient air. Such devices include catalytic converters.

C. Alleged Violations of Law

12. Respondents sell and distribute motor vehicle parts to various individual customers located throughout the United States.

13. On December 13, 2019 and October 15, 2020 EPA sent an information request pursuant to section 208(a) of the CAA, 42 U.S.C. § 7542(a), to Respondents regarding software and hardware Respondents sold since January 1, 2018.

14. Based on Respondents' responses on February 12, 2020 and November 13, 2020 to EPA's information requests and additional information gathered during EPA's investigation, EPA alleges that Respondents sold various exhaust replacement pipes ("subject exhaust replacement pipes"), exhaust gas recirculation delete hardware ("subject EGR delete hardware"), and crankcase ventilation kits ("subject crankcase ventilation kits") for highway motor vehicles identified in Appendix A of this CAFO (collectively referred to as the "Devices").

15. The subject exhaust replacement pipes remove and bypass the diesel oxidation catalyst, diesel particulate filter, catalytic converter, and/or selective catalytic reduction systems from the highway motor vehicles for which they are designed.

16. The subject EGR delete hardware replaces and removes the EGR valve and cooler systems found on most model year 2003 and newer diesel engines from highway motor vehicles for which they are designed. This delete hardware typically includes EGR block off plates and/or intake or exhaust manifolds that do not include an EGR port.

17. The subject crankcase ventilation kits include piping that reroutes exhaust directly to the atmosphere, which bypasses the exhaust emission control components on highway motor vehicles for which they are designed.

18. The Devices were designed and marketed for use on various highway motor vehicles, and intended to bypass, defeat, or render inoperative emission related devices or elements of design that are installed on those motor vehicles to meet the CAA emission standards.

19. Between January 1, 2018 and December 13, 2019, Respondents sold 15,082 Devices to individual customers located throughout the United States.

20. The manufacture, sale, offering for sale, or installation of a device that bypasses, defeats, or renders inoperative a vehicle's emission control systems is prohibited under section 203(a)(3)(B) of the CAA, 42 U.S.C. § 7522(a)(3)(B).

21. On December 22, 2020, EPA issued a Notice of Violation to Respondents for approximately 15,082 violations of section 203(a)(3)(B) of the CAA, 42 U.S.C. § 7522(a)(3)(B), for selling or offering for sale the Devices.

22. EPA alleges that Respondents have committed approximately 15,082 violations of section 203(a)(3)(B) of the CAA, 42 U.S.C. § 7522(a)(3)(B), by manufacturing, selling, or offering for sale the Devices.

D. Terms of Consent Agreement

23. For the purpose of this proceeding, as required by 40 C.F.R. § 22.18(b)(2), Respondents:

- a. admit that EPA has jurisdiction over the subject matter alleged in this CAFO and over Respondents;
 - b. neither admit nor deny the specific factual allegations contained in Section I.C of this CAFO;
 - c. consent to the assessment of a civil penalty under this Section, as stated below;
 - d. consent to the conditions specified in this CAFO;
 - e. waive any right to contest the allegations set forth in Section I.C of this CAFO;
- and

- f. waive their rights to appeal the proposed Order contained in this CAFO.

E. Civil Penalty

24. Respondents submitted financial information to EPA which supports Respondents' claim that they are unable to pay a full penalty for the alleged violations.

25. Respondents agree to:

- a. pay the civil penalty of TEN THOUSAND DOLLARS (\$10,000) (“EPA Penalty”) within 30 days of the Effective Date of this CAFO; and
- b. pay the EPA Penalty using any method, or combination of methods, provided on the website <https://www.epa.gov/financial/makepayment>, and identifying the payment with “Docket No. CAA-09-2021-0036.” Within 24 hours of each payment of the EPA Penalty, send proof of payment to Nathan Dancher at:

Mail Code (ENF-2-1)
Enforcement and Compliance Assurance Division
U.S. Environmental Protection Agency, Region IX
75 Hawthorne Street
San Francisco, CA 94105

and at dancher.nathan@epa.gov (“proof of payment” means, as applicable, a copy of the check, confirmation of credit card or debit card payment, confirmation of wire or automated clearinghouse transfer, and any other information required to demonstrate the payment has been made according to the EPA requirements, in the amount due, and identified with “Docket No. CAA-09-2021-0036”).

26. If Respondents do not pay timely the civil penalty, specified in Paragraph 25, then Respondents shall pay to the EPA a stipulated penalty in the amount of FIVE HUNDRED DOLLARS (\$500.00) for each day the default continues plus the remaining balance of the penalty sum specified in Paragraph 25 upon written demand by the EPA.

27. If Respondents fail to timely pay any portion of the penalty assessed under this CAFO, the EPA may:
- a. request the Attorney General to bring a civil action in an appropriate district court to recover: the amount assessed; interest at rates established pursuant to 26 U.S.C. § 6621(a)(2); the United States' enforcement expenses; and a 10 percent quarterly nonpayment penalty, 42 U.S.C. § 7413(d)(5);
 - b. refer the debt to a credit reporting agency or a collection agency, 42 U.S.C. § 7413(d)(5), 40 C.F.R. §§ 13.13, 13.14, and 13.33;
 - c. 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 Government), which includes, but is not limited to, referral to the Internal Revenue Service for offset against income tax refunds, 40 C.F.R. Part 13, Subparts C and H; and
 - d. suspend or revoke Respondents' licenses or other privileges granted by EPA, or suspend or disqualify Respondents from doing business with EPA or engaging in programs EPA sponsors or funds, 40 C.F.R. § 13.

F. Certification of Compliance

28. Respondents certify that as of the date of their signature of this Consent Agreement, Respondents are complying fully with section 203(a)(3) of the CAA, 42 U.S.C. § 7522(a)(3).
29. Respondents are aware of EPA's November 23, 2020 "Tampering Policy: The EPA Enforcement Policy on Vehicle and Engine Tampering and Aftermarket Defeat Devices under the Clean Air Act."

30. The provisions of this CAFO shall apply to and be binding upon Respondents and their officers, directors, employees, agents, trustees, servants, authorized representatives, successors, and assigns. Respondents must give written notice and a copy of this CAFO to any successors in interest prior to any transfer of ownership or control of any portion of or interest in Respondents. Simultaneously with such notice, Respondents shall provide written notice of such transfer, assignment, or delegation to EPA. In the event of any such transfer, assignment, or delegation, Respondents shall not be released from the obligations or liabilities of this CAFO unless EPA has provided written approval of the release of said obligations or liabilities.

31. By signing this CAFO, Respondents acknowledge that this CAFO will be available to the public and agrees that this CAFO does not contain any confidential business information or personally identifiable information.

32. By signing this CAFO, the undersigned representative of Complainant and the undersigned representatives of Respondents each certify that he or she is fully authorized to execute and enter into the terms and conditions of this CAFO and has the legal capacity to bind the party he or she represents to this CAFO.

33. By signing this CAFO, Respondents certify that the information they have supplied concerning this matter was at the time of submission true, accurate, and complete for each such submission, response, and statement. Respondents acknowledge that there are significant penalties for submitting false or misleading information, including the possibility of fines and imprisonment for knowing submission of such information, under 18 U.S.C. § 1001.

34. Each party agrees to bear its own costs and attorney's fees in this action.

G. General Provisions

35. In accordance with 40 C.F.R. § 22.18(c), completion of the terms of this CAFO resolves only Respondents' liability for federal civil penalties for the violations and facts specifically alleged above.

36. This civil penalty paid pursuant to this CAFO is not deductible for federal tax purposes.

37. Nothing in this CAFO shall relieve Respondents of the duty to comply with all applicable provisions of the Act and other federal, state, or local laws or statutes, nor shall it restrict EPA's authority to seek compliance with any applicable laws or regulations, nor shall it be construed to be a ruling on, or determination of, any issue related to any federal, state, or local permit.

38. This CAFO constitutes the entire agreement between the parties and supersedes any prior agreements or understandings, whether written or oral, among the parties with respect to the subject matter hereof.

H. Effective Date

39. Respondents and Complainant agree to issuance of the attached Final Order. Upon filing, EPA will transmit a copy of the filed CAFO to the Respondents. This CAFO shall become effective after execution of the Final Order by the Regional Judicial Officer on the date of filing with the Regional Hearing Clerk.

Black Horse Racing Corp. and SLH Trading Corp., Respondents

8/27/2021
Date

Jiayun Shen
Jiayun Shen, Chief Executive Officer
Black Horse Racing Corp.

8/27/2021
Date

Xinxiang Wang
Xinxiang Wang, Chief Executive Officer
SLH Trading Corp.

United States Environmental Protection Agency, Complainant

**CLAIRE
TROMBADORE** Digitally signed by
CLAIRE TROMBADORE
Date: 2021.08.31
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Date

Claire Trombadore
Assistant Director
Enforcement and Compliance Assurance Division
United States Environmental
Protection Agency, Region IX
75 Hawthorne Street
San Francisco, CA 94105

**Consent Agreement and Final Order
In the Matter of: Black Horse Racing Corp. and SLH Trading Corp.
Docket No. CAA-09-2021-0036**

II. FINAL ORDER

EPA Region IX and Black Horse Racing Corp. and SLH Trading Corp., having entered into the foregoing Consent Agreement,

IT IS HEREBY, ORDERED that this Consent Agreement and Final Order (Docket No. CAA-09-2021-0036), shall be entered and Respondents shall pay a civil administrative penalty in the amount of TEN THOUSAND DOLLARS (\$10,000), and otherwise comply with the terms set forth in the CAFO. This Final Order concludes this proceeding pursuant to 40 C.F.R. §§ 22.18 and 22.31.

**STEVEN
JAWGIEL**

Digitally signed by
STEVEN JAWGIEL
Date: 2021.09.10
10:26:35 -07'00'

Date

Steven Jawgiel
Regional Judicial Officer
U.S. Environmental Protection Agency
Region 9

Appendix A

**Black Horse Racing Corp. and SLH Trading Crop. violations of CAA § 203 for the period
January 1, 2018 through December 13, 2019 for offering for sale or sale of 15,082 Exhaust
Replacement Pipes, EGR Delete Hardware, and Crankcase Ventilation Kits**

#	SKU	Part Description	Car Model	Sales Quantity
1	EG31901	6.0L Powerstroke Diesel Complete EGR Bypass and Delete Kit For 2003-2010 Ford	2003-2010 Ford F250 F350	2,758
2	EG31902	Blue EGR Valve Delete Kit & Intake Elbow For 2008-2010 Ford 6.4L Powerstroke Diesel	2008-2010 Ford F250 F350	419
3	EG31906	6.0L Powerstroke Diesel EGR Basic Bypass Delete Kit For 2003-2007 Ford F250 F350	2003-2007 Ford F250 F350	734
4	EG31908	6.7L Cummins Diesel EGR Valve Cooler Delete Kit for 2010-2016 Dodge Ram 2500	2010-2016 Dodge Ram	1,884
5	EG31909	6.7L Diesel Cummins EGR Valve Cooler Delete Kit For 07-09 Dodge Ram 2500 3500 L6	2007-2009 Dodge Ram	160
6	EG31910	6.7L Diesel Cummins EGR Valve Cooler Delete Kit For 07-08 Dodge Ram 2500 3500 L6	2007-2008 Dodge Ram	78
7	EG31911	EGR Delete & High Flow Intake Elbow For May 04-05 Chevy GMC Duramax Diesel 6.6L	2004-2005 Chevy Silverado GMC Sierra	59
8	EG31912	EGR Valve Cooler Delete Kit For 05.2007-2010 Chevy GMC 6.6L LMM Duramax Diesel	2007-2010 Chevy Silverado GMC Sierra	11
9	EG31916	Blue Delete Kit & High Flow Intake Elbow for 2006.5-2007 GM 6.6L Duramax Diesel LBZ EGR	2006-2007 Chevy Silverado GMC Sierra	73
10	EG31917	6.4L Powerstroke Diesel EGR Valve Cooler Delete Kit For 2008-2010 Ford F-250	2008-2010 Ford F250 F350	208
11	EG31918	6.0L Powerstroke Diesel EGR Cooler Delete Kit For Ford 2003-2007 F250 E Series	2003-2007 Ford F250 F350	724

#	SKU	Part Description	Car Model	Sales Quantity
12	EG31921	6.6L Duramax Diesel LBZ EGR Delete Kit&High Flow Intake Elbow for 2006.5-2007 GM	2006-2007 Chevy Silverado GMC Sierra	94
13	EG31923	Blue EGR Valve Cooler Delete Kit for 2011-2014 Ford F250 F350 6.7L Powerstroke Diesel	2011-2014 Ford F250 F350	245
14	EG31924	Black EGR Valve Cooler Delete Kit for 2011-2014 Ford F250 F350 6.7L Powerstroke Diesel	2011-2014 Ford F250 F350	784
15	EG31926	Silver EGR Valve Delete Kit & Intake Elbow For 2008-2010 Ford 6.4L Powerstroke Diesel	2008-2010 Ford F250 F350	355
16	EG31939	Black EGR Valve Delete Kit & Intake Elbow For 2008-2010 Ford 6.4L Powerstroke Diesel	2008-2010 Ford F250 F350	637
17	EG31940	Red EGR Valve Delete Kit & Intake Elbow For 2008-2010 Ford 6.4L Powerstroke Diesel	2008-2010 Ford F250 F350	857
18	EG31943	Blue Intake Tube Bridge & EGR Valve Cooler Delete Kit for 11-15 GM 6.6L LML Duramax	2011-2015 Chevy Silverado GMC Sierra	68
19	EG31944	EGR Delete Cooler Valve Kit Turbo Diesel For 2004.5-2005 GM 6.6L Duramax LLY	2004-2005 Chevy Silverado GMC Sierra	75
20	EG31951	Blue Throttle Valve Delete Kit for 2007-2017 Dodge Ram L6 Turbo 6.7L Cummins Diesel	2007-2017 Dodge Ram	113
21	EG31952	Silver Throttle Valve Delete Kit for 2007-2017 Dodge Ram L6 Turbo 6.7L Cummins Diesel	2007-2017 Dodge Ram	187
22	EG31953	Red Throttle Valve Delete Kit for 2007-2017 Dodge Ram L6 Turbo 6.7L Cummins Diesel	2007-2017 Dodge Ram	221
23	EG31954	Black Throttle Valve Delete Kit for 2007-2017 Dodge Ram L6 Turbo 6.7L Cummins Diesel	2007-2017 Dodge Ram	701

#	SKU	Part Description	Car Model	Sales Quantity
24	EG31955	EGR Delete Kit fit 2006-2007 Chevy Silverado GMC Sierra 6.6L V8 Duramax LBZ	2006-2007 Chevy Silverado GMC Sierra	16
25	EG31957	EGR Smog Delete Exhaust Intake Block Off Plate Air Plug For Toyota 20R 22RE	Toyota 20R 22RE	309
26	EG31961	6.0L Powerstroke Diesel Turbocharger EGR Delete Exhaust Up Pipe For 03-07 Ford	2003-2007 Ford F250 F350	165
27	EG31962	J Hook EGR Cooler Delete Coolant Bypass J-Pipe for 03-07 Ford 6.0L Powerstroke	2003-2007 Ford F250 F350	10
28	EG31963	EGR Valve Block Off Plate for 2003-2007 Ford 6.0L Powerstroke Diesel Turbo	2003-2007 Ford F250 F350	160
29	EG31971	Blue PCV Reroute Fittings&Reroute Port Plug&Resonator Plug for GM 6.6L Duramax	2004-2010 Chevy Silverado GMC Sierra	453
30	EG31972	6.6L Duramax Diesel PCV Reroute Fittings&Reroute Port Plug&Resonator Plug for GM	2004-2010 Chevy Silverado GMC Sierra	809
31	EG31973	PCV Reroute&Resonator Delete Kit for 04.5-10 GM 6.6L Duramax Diesel LLY LBZ LMM	2004-2010 Chevy Silverado GMC Sierra	317
32	EG31974	PCV Reroute&Resonator Delete Kit for 04.5-10 GM 6.6L Duramax Diesel LLY LBZ LMM	2004-2010 Chevy Silverado GMC Sierra	540
33	EG31983	Black Intake Tube Bridge & EGR Valve Cooler Delete Kit for 11-15 GM 6.6L LML Duramax	2011-2015 Chevy Silverado GMC Sierra	120
34	EG31985	6.7L Cummins Diesel EGR Cooler Delete Kit for 2013-2018 Dodge Ram 2500 3500 4500	2013-2018 Dodge Ram 2500 3500 4500	18
38	EG31992	6.7L Cummins Diesel EGR Cooler Delete Kit for 2013-2018 Dodge Ram 2500 3500 4500	2013-2018 Dodge Ram 2500 3500 4500	321
39	EG31993	6.7L Cummins Diesel EGR Delete Kit For 2013-2018 Dodge Ram 3500 4500 Cab&Chassis	2013-2018 Dodge Ram 2500 3500 4500	242

#	SKU	Part Description	Car Model	Sales Quantity
40	EG53001	For EGR Delete Tube Plug Intake Block Off Plate LS LSX Silverado 4.8L 5.3L 6.0L	Chevy Silverado LS LSX 4.8L 5.3L 6.0L	43
41	EG53002	EGR Exhaust Manifold Block OFF Plate For Silverado LS LQ4 LSX 4.8L 5.3L 6.0L	Chevy Silverado LS LSX 4.8L 5.3L 6.0L	9
42	EG53003	For LS Truck EVAP Purge Solenoid Tube Plug Intake Block Off Delete 4.8 5.3 6.0L	Chevy Silverado LS LSX 4.8L 5.3L 6.0L	19
43	EG53004	EGR Pressure Testing Plates For 2011-2015 LML Duramax 6.6l GMC Turbo	2011-2015 Chevy Silverado GMC Sierra	7
44	EG53005	EGR Pressure Testing Plate For 2011-2015 LML 6.6L Duramax silverado Turbo	2011-2015 Chevy Silverado GMC Sierra	3
45	EG53007	Intake Plug EGR Delete Block Off Plate For Camaro LS1 LS6 Z28 Manifold Trans Am	Camaro LS LS1 LQ4	14
46	EG53008	EGR Smog Air Delete Cover Exhaust Block Off Plate Set For Camaro LS LS1 LQ4 5.7L	Camaro LS LS1 LQ4	24
47	EG53009	EGR Smog Air Delete Cover Exhaust Block Off Plate Gaskets For Camaro LS LS1 LQ4	Camaro LS LS1 LQ4	17
48	EG53015	EGR Delete & High Flow Intake Elbow For May 04-05 Chevy GMC Duramax Diesel 6.6L	2004-2005 Chevy Silverado GMC Sierra	5
49		For 2008-2010 Ford Powerstroke 6.4L CAT & DPF Delete Pipe No Bungs 4”	2008-2010 Ford Powerstroke 6.4 L	16
			Total Parts Sold	15,082

CERTIFICATE OF SERVICE

This is to certify that the Consent Agreement and Final Order in the matter of *Black Horse Racing and SLH Trading Corporation (CAA-09-2021-0036)* was filed with the Regional Hearing Clerk and that a true and correct copy of the same was sent to the following parties:

For RESPONDENT (Via ELECTRONIC Mail):

Jiayun Shen, Chief Executive Officer
Black Horse Racing Corp.
153 Redstone Dr.
Walnut, CA 91789-2575
zoezhou871003@gmail.com

Xinxiang Wang, Chief Executive Officer
SLH Trading Corp.
153 Redstone Dr.
Walnut, CA 91789-2575
xxwang1234@gmail.com

For COMPLAINANT (Via ELECTRONIC Mail):

Denise Leong
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U.S. EPA, Region IX
75 Hawthorne Street
San Francisco, CA 94105
Leong.denise@epa.gov

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Steven by Armsey, Steven
Date: 2021.09.10
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Regional Hearing Clerk
U.S. EPA, Region IX

Date