

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

PEOPLE OF THE STATE OF ILLINOIS,)

Complainant,)

- vs -)

PCB No. 05 - 181
(Enforcement - Air)

PATTISON ASSOCIATES LLC, an Illinois)

limited liability company, and)

5701 SOUTH CALUMET LLC, an Illinois)

limited liability company,)

Respondents.)

NOTICE OF FILING

TO: See Attached Service List
(VIA ELECTRONIC FILING)

PLEASE TAKE NOTICE that today I have filed with the Office of the Clerk of the Illinois Pollution Control Board by electronic filing the following Stipulation and Proposal for Settlement, and Motion to Reauest Relief from Hearing Requirement, copies of which are attached and hereby served upon you.

Respectfully submitted,

PEOPLE OF THE STATE OF ILLINOIS

LISA MADIGAN
Attorney General
State of Illinois

BY: *Paula B. Wheeler*

Paula Becker Wheeler
Assistant Attorney General
Environmental Bureau
188 W. Randolph St., 20th Floor
Chicago, Illinois 60601
312-814-1511

DATE: June14, 2006

THIS FILING IS SUBMITTED ON RECYCLED PAPER

SERVICELIST

Mr. Jay Truty
Ms. Allyson L. Wilcox
Bell Boyd & Lloyd LLC
70 W. Madison Street
Suite 3100
Chicago, IL 60602

Mr. Bradley P. Halloran
Hearing Officer
Illinois Pollution Control Board
100 West Randolph Street
Suite 11-500
Chicago, IL. 60601

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

PEOPLE OF THE STATE OF ILLINOIS,)	
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Complainant,)	
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- vs -)	PCB No. 05 - 181
)	(Enforcement - Air)
PATTISON ASSOCIATES LLC, an Illinois)	
limited liability company, and)	
5701 SOUTH CALUMET LLC, an Illinois)	
limited liability company,)	
)	
Respondents.)	

MOTION TO REQUEST RELIEF FROM HEARING REQUIREMENT

NOW COMES the Complainant, PEOPLE OF THE STATE OF ILLINOIS, by LISA MADIGAN, Attorney General of the State of Illinois, and requests relief from the hearing requirement in the above-captioned matter. In support thereof, the Complainant states as follows:

1. On April 4, 2005, a Complaint was filed with the Pollution Control Board ("Board") in this matter. On June 14, 2006, a Stipulation and Proposal for Settlement was filed with the Board.
2. Section 31(c)(2) of the Illinois Environmental Protection Act ("Act"), 415 ILCS 5/31(c)(2), (2004), allows the parties in certain enforcement cases to request relief from the mandatory hearing requirement where the parties have submitted to the Board a stipulation and proposal for settlement. Section 31(c)(2) provides:

Notwithstanding the provisions of subdivision (1) of this subsection (c), whenever a complaint has been filed on behalf of the Agency or by the People of the State of Illinois, the parties may file with the Board a stipulation and proposal for settlement accompanied by a request for relief from the requirement of a hearing pursuant to subdivision (1). Unless the Board, in its discretion, concludes that a hearing will be held, the Board shall cause notice of the stipulation, proposal and request for relief to be published and sent in the same manner as is required for hearing pursuant to subdivision (1) of this subsection. The notice shall include a statement that any person may file a written demand for hearing

within 21 days after receiving the notice. If any person files a timely written demand for hearing, the Board shall deny the request for relief from a hearing and shall hold a hearing in accordance with the provisions of subdivision (1).

3. No hearing is currently scheduled in the instant case.
4. The Complainant requests the relief conferred by Section 31(c)(2) of the Act.

WHEREFORE, the Complainant, PEOPLE OF THE STATE OF ILLINOIS, by LISA MADIGAN, Attorney General of the State of Illinois, requests relief from the requirement of a hearing pursuant to 415 ILCS 5/31(c)(2)(2004).

Respectfully submitted,

PEOPLE OF THE STATE OF ILLINOIS

LISA MADIGAN
Attorney General of the State of Illinois

By: 

PAULA BECKER WHEELER
Assistant Attorney General

Environmental Bureau
188 W. Randolph St., 20th Fl.
Chicago, Illinois 60601
(312) 814-1511

Dated: June 14, 2006

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

PEOPLE OF THE STATE OF ILLINOIS,)	
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Complainant,)	
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v.)	PCB 05-181
)	(Enforcement - Air)
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PATTISON ASSOCIATES LLC, an)	
Illinois limited liability)	
company, and 5701 SOUTH CALUMET)	
LLC, an Illinois limited)	
liability compa'ny,)	
)	
Respondents.)	

STIPULATION AND PROPOSAL FOR SETTLEMENT

Complainant, PEOPLE OF THE STATE OF ILLINOIS, by LISA MADIGAN, Attorney General of the State of Illinois, the Illinois Environmental Protection Agency ("Illinois EPA"), PATTISON ASSOCIATES LLC and 5701 SOUTH CALUMET LLC, (collectively "Respondents"), have agreed to the making of this Stipulation and Proposal for Settlement ("Stipulation") and submit it to the Illinois Pollution Control Board ("Board") for approval. The parties agree that the statement of facts contained herein represents a fair summary of the evidence and testimony which would be introduced by the parties if a hearing were held. The parties further stipulate that this statement of facts is made and agreed upon for purposes of settlement only and that neither the fact that a party has entered into this Stipulation, nor any of the facts stipulated herein, shall be introduced into evidence in any other proceeding regarding the claims asserted in the

Complaint except as otherwise provided herein. If the Board approves and enters this Stipulation, Respondents agree to be bound by the Stipulation and Board Order and not to contest their validity in any subsequent proceeding to implement or enforce their terms.

I. JURISDICTION

The Board has jurisdiction of the subject matter herein and of the parties consenting hereto pursuant to the Illinois Environmental Protection Act ("Act"), 415 ILCS 5/1 *et seq.* (2004).

II. AUTHORIZATION

The undersigned representatives for each party certify that they are fully authorized by the party whom they represent to enter into the terms and conditions of this Stipulation and to legally bind them to it.

II. STATEMENT OF FACTS

A. Parties

1. On April 4, 2005, a Complaint was filed on behalf of the People of the State of Illinois by Lisa Madigan, Attorney General of the State of Illinois, on her own motion and upon the request of the Illinois EPA, pursuant to Section 31 of the Act, 415 ILCS 5/31(2004), against the Respondents.

2. The Illinois EPA is an administrative agency of the

State of Illinois, created pursuant to Section 4 of the Act, 415 ILCS 5/4 (2004).

3. At all times relevant to the Complaint, Respondent PATTISON ASSOCIATES LLC was and is an Illinois limited liability company in good standing, and Respondent 5701 SOUTH CALUMET LLC was and is an Illinois limited liability company in good standing.

B. Site Description

1. At all times relevant to the Complaint, Respondent PATTISON ASSOCIATES LLC owned and operated a construction company that performed renovation activities at the location of 5701 S. Calumet, Chicago, Cook County, Illinois ("Site").

2. At all times relevant to this Complaint, the co-Respondent, 5701 SOUTH CALUMET LLC was and is the owner of the property and building located at 5701 South Calumet Avenue, Chicago, Cook County, Illinois. The building is a residential apartment building, containing eighteen (18) units.

C. Allegations of Non-Compliance

Complainant contends that the Respondents have violated the following provisions of the Act, Board regulations, and NESHAP regulations:

- Count I: Air Pollution, in violation of Section 9(a) of the Act, 415 ILCS 5/9(a)(2002), and 35 Ill. Adm. Code 201.141.
- Count II: Failure to Thoroughly Inspect Prior to Renovation, in violation of Section 9.1(d)(1) of the Act, 415 ILCS 5/9.1(d)(1) (2002), and 40 CFR 61.145(a).
- Count III: Failure to Submit Notification, in violation of Section 9.1(d) of the Act, 415 ILCS 5/9.1(d)(1)(2002) and 40 CFR 61.145(b)(1).
- Count IV: Failure to Follow Proper Emission Control Procedures, in violation of Section 9.1(d)(1) of the Act, 415 ILCS 5/9.1(d)(1)(2002) and 40 CFR 65.145(c)(1), (c)(3), (c)(6), and (c)(8).
- Count V: Failure to Follow Proper Disposal Procedures, in violation of Section 9.1(d)(1) of the Act, 415 ILCS 5/9.1(d)(1) and 40 CFR 65.150(b)(1).

D. Admission of Violations

The Respondents represent that they have entered into this Stipulation for the purpose of settling and compromising disputed claims without having to incur the expense of contested litigation. By entering into this Stipulation and complying with its terms, the Respondents do not affirmatively admit the allegations of violation within the Complaint and referenced

within Section III.C herein, and this Stipulation shall not be interpreted as including such admission.

IV. APPLICABILITY

This Stipulation shall apply to and be binding upon the Complainant and the Respondents, and any officer, director, agent, or employee of the Respondents, as well as any successors or assigns of the Respondents. The Respondents shall not raise as a defense to any enforcement action taken pursuant to this Stipulation the failure of any of their officers, directors, agents, employees or successors or assigns to take such action as shall be required to comply with the provisions of this Stipulation.

V. COMPLIANCE WITH OTHER LAWS AND REGULATIONS

This Stipulation in no way affects the responsibilities of the Respondents to comply with any other federal, state or local laws or regulations including, but not limited to, the Act and the Board regulations, 35 Ill. Adm. Code, Subtitles A through H.

VI. IMPACT ON THE PUBLIC RESULTING FROM ALLEGED NON-COMPLIANCE

Section 33(c) of the Act, 415 ILCS 5/33(c) (2004), provides as follows:

In making its orders and determinations, the Board shall take into consideration all the facts and circumstances bearing upon the reasonableness of the emissions, discharges, or deposits involved including, but not limited to:

1. the character and degree of injury to, or interference with the protection of the health,

general welfare and physical property of the people;

2. the social and economic value of the pollution source;
3. the suitability or unsuitability of the pollution source to the area in which it is located, including the question of priority of location in the area involved;
4. the technical practicability and economic reasonableness of reducing or eliminating the emissions, discharges or deposits resulting from such pollution source; and
5. any subsequent compliance.

In response to these factors, the parties state the following:

1. Complainant contends that human health and the environment were threatened by the Respondents' violations of the Act and the asbestos NESHAP. However, the threat of asbestos contamination was abated by the proper remediation and disposal of all asbestos-containing material ("ACM") and asbestos contamination.

2. There is social and economic benefit to the business of the Respondents.

3. The renovation of the property at the site was suitable for the area in which it occurred.

4. Inspecting the premises and following the proper procedures for abatement of ACM and asbestos contamination was both technically practicable and economically reasonable.

5. Respondents have subsequently complied with the Act and the Board Regulations by undertaking actions that adequately address the Illinois EPA's technical concerns.

VII. CONSIDERATION OF SECTION 42(h) FACTORS

Section 42(h) of the Act, 415 ILCS 5/42(h) (2004), provides as follows:

In determining the appropriate civil penalty to be imposed under . . . this Section, the Board is authorized to consider any matters of record in mitigation or aggravation of penalty, including but not limited to the following factors:

1. the duration and gravity of the violation;
2. the presence or absence of due diligence on the part of the respondent in attempting to comply with requirements of this Act and regulations thereunder or to secure relief therefrom as provided by this Act;
3. any economic benefits accrued by the respondent because of delay in compliance with requirements, in which case the economic benefits shall be determined by the lowest cost alternative for achieving compliance;
4. the amount of monetary penalty which will serve to deter further violations by the respondent and to otherwise aid in enhancing voluntary compliance with this Act by the respondent and other persons similarly subject to the Act;
5. the number, proximity in time, and gravity of previously adjudicated violations of this Act by the respondent;
6. whether the respondent voluntarily self-disclosed, in accordance with subsection i of this Section, the non-compliance to the Agency; and
7. whether the respondent has agreed to undertake a "supplemental environmental project," which means

an environmentally beneficial project that a respondent agrees to undertake in settlement of an enforcement action brought under this Act, but which the respondent is not otherwise legally required to perform.

In response to these factors, the parties state as follows:

1. The Respondents failed to sufficiently inspect the site for asbestos-containing materials prior to beginning or continuing construction activities at the site, and violated provisions of the regulations concerning the handling and disposal of the ACM. The violations occurred from at least October of 2003 and were resolved by November 2003.

2. Respondents were diligent in attempting to come back into compliance with the Act, Board regulations and applicable federal regulations, soon after the Illinois EPA notified it of their noncompliance.

3. The quantifiable economic benefit to the Respondents resulting from their failure to conduct the renovation project in compliance with the Act and the asbestos NESHAP was nominal and the penalty obtained includes any economic benefit received.

4. Complainant has determined, based upon the specific facts of this matter, that a penalty of \$20,000.00 will serve to deter further violations and aid in future voluntary compliance with the Act and Board regulations.

5. To Complainant's knowledge, Respondents have no previously adjudicated violations of the Act.

6. Self-disclosure is not at issue in this matter.

7. The settlement of this matter does not include a supplemental environmental project.

VIII. TERMS OF SETTLEMENT

A. Penalty Payment

1. The Respondents shall pay a civil penalty in the sum of Twenty Thousand Dollars (\$20,000.00) within fourteen (14) days from the date the Board adopts and accepts this Stipulation. The Respondents stipulate that payment has been tendered to Respondents' attorney of record in this matter in a form acceptable to that attorney. Further, Respondents stipulate that said attorney has been directed to make the penalty payment on behalf of Respondent, within fourteen (14) days from the date the Board adopts and accepts this Stipulation, in a manner prescribed below. The penalty described in this Stipulation shall be paid by certified check, money order or electronic.funds transfer payable to the Illinois EPA, designated to the Illinois Environmental Protection Trust Fund and submitted to:

Illinois Environmental Protection Agency
Fiscal Services Section
1021 North Grand Avenue East
P.O. Box 19276
Springfield, IL 62794-9276

The name and number of the case and Respondents' Federal Employer Identification Numbers ("FEIN") shall appear on the check. A

copy of the certified check, money order or record of electronic funds transfer and any transmittal letter shall be sent to:

Paula Becker Wheeler
Assistant Attorney General
Environmental Bureau
188 W. Randolph St., 20th Floor
Chicago, Illinois 60601

Christopher Pressnall
Assistant Counsel
Illinois Environmental Protection Agency
1021 North Grand Avenue East
P.O. Box 19276
Springfield, Illinois 62794-9276

2. Pursuant to Section 42(g) of the Act, 415 ILCS 5/42(g) (2004), interest shall accrue on any payment not paid within the time period prescribed above at the maximum rate allowable under Section 1003(a) of the Illinois Income Tax Act, 35 ILCS 5/1003 (2004). Interest on any unpaid payment shall begin to accrue from the date the payment is due and continue to accrue until the date payment is received. When partial payment(s) are made, such partial payment shall be first applied to any interest on unpaid payment then due and owing. All interest on payment owed shall be paid by certified check, money order or electronic funds transfer, payable to the Illinois EPA, designated to the Illinois Environmental Protection Trust Fund and delivered to the address and in the manner described above.

3. For purposes of payment and collection, Respondents may be reached at the following address:

Pattison Associates LLC

2159 West Madison Avenue
Chicago, IL 60612
Attn: James R. Pattison

5701 South Calumet LLC
55 West Monroe Street
Suite 500
Chicago, IL 60603
Attn: Mr. John R. Joyce

4. In the event of default of this Section VIII.A, the Complainant shall be entitled to all available relief including, but not limited to, reasonable costs of collection and reasonable attorney's fees.

B. Future Use

Notwithstanding any other language in this Stipulation to the contrary, and in consideration of the mutual promises and conditions contained in this Stipulation, including the Release from Liability contained in Section VIII.D, below, the Respondents hereby agree that this Stipulation may be used against the Respondents in any subsequent enforcement action or permit proceeding as proof of a past adjudication of violation of the Act and the Board Regulations promulgated thereunder for all violations alleged in the Complaint in this matter, for purposes of Section 39(a) and (i) and/or 42(h) of the Act, 415 ILCS 5/39(a) and(i) and/or 5/42(h)(2004). Further, Respondents agree to waive any rights to contest, in any subsequent enforcement action or permit proceeding, any allegations that these alleged violations were adjudicated.

C. Cease and Desist

The Respondents shall cease and desist from future violations of the Act and Board Regulations that were the subject matter of the Complaint as outlined in Section III.C ("Allegations of Non-Compliance") of this Stipulation.

D. Release from Liability

In consideration of the Respondents¹ payment of the \$20,000.00 penalty and any specified costs and accrued interest, completion of all activities required hereunder, their commitment to Cease and Desist as contained in Section VIII.C and upon the Pollution Control Board's acceptance and approval of the terms of this Stipulation and Proposal for Settlement, the Complainant releases, waives and discharges the Respondents from any further liability or penalties for violations of the Act and Board Regulations that were the subject matter of the Complaint herein. The release set forth above does not extend to any matters other than those expressly specified in Complainant's Complaint accepted by the Board for filing on April 4, 2005. The Complainant reserves, and this Stipulation is without prejudice to, all rights of the State of Illinois against the Respondents with respect to all other matters, including but not limited to, the following:

- a. criminal liability;

b. liability for future violation of state, federal, local, and common laws and/or regulations;

c. liability for natural resources damage arising out of the alleged violations; and

d. liability or claims based on the Respondent's failure to satisfy the requirements of this Stipulation.

Nothing in this Stipulation is intended as a waiver, discharge, release, or covenant not to sue for any claim or cause of action, administrative or judicial, civil or criminal, past or future, in law or in equity, which the State of Illinois or the Illinois EPA may have against any person, as defined by Section 3.315 of the Act, 415 ILCS 5/3.315, or entity other than the Respondents.

E. Enforcement of Board Order

1. Upon the entry of the Board's Order approving and accepting this Stipulation and Proposal for Settlement, that Order is a binding and enforceable order of the Illinois Pollution Control Board and may be enforced as such through any and all available means.

2. Respondents agree that notice of any subsequent proceeding to enforce the Board Order approving and accepting this Stipulation and Proposal for Settlement may be made by mail and waives any requirement of service of process.

3. The parties agree that, if the Board does not approve and accept this Stipulation and Proposal for Settlement, then the parties are not bound by the terms herein.

4. It is the intent of the Complainant and Respondents that the provisions of this Stipulation and Proposal for Settlement and any Board Order accepting and approving such shall be severable, and should any provision be declared by a court of competent jurisdiction to be inconsistent with state or federal law, and therefore unenforceable, the remaining clauses shall remain in full force and effect.

F. Execution of Document

This Stipulation and Proposal for Settlement shall become effective only when executed by all parties and accepted by the Board. This Stipulation may be executed by the parties in one or more counterparts, all of which taken together, shall constitute one and the same instrument.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

WHEREFORE, Complainant and Respondents, PATTISON ASSOCIATES LLC and 5701 SOUTH CALUMET LLC, request that the Board adopt and accept the foregoing Stipulation and Proposal for Settlement as written.

PEOPLE OF THE STATE OF ILLINOIS,

LISA MADIGAN
Attorney General
State of Illinois

MATTHEW J. DUNN, Chief
Environmental Enforcement/
Asbestos Litigation Division

BY: *Rose Marie Cazeau*
ROSEMARIE CAZEAU, Chief
Environmental Bureau
Assistant Attorney General

DATE: 6/9/06

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

BY: *Robert A. Messina*
ROBERT A. MESSINA
Chief Legal Counsel

DATE: 6/5/06

PATTISON ASSOCIATES LLC

BY: _____
Name: _____
Title: _____

DATE: _____

5701 SOUTH CALUMET LLC

BY: _____
Name: _____
Title: _____

DATE: _____

WHEREFORE, Complainant and Respondents, PATTISON ASSOCIATES LLC and 57'01 SOUTH CALUMET LLC, request that the Board adopt and accept the foregoing Stipulation and Proposal for Settlement as written.

PEOPLE OF THE STATE OF ILLINOIS,

LISA MADIGAN
Attorney General
State of Illinois

MATTHEW J. DUNN, Chief
Environmental Enforcement/
Asbestos Litigation Division

BY: _____
ROSEMARIE CAZEAU, Chief
Environmental Bureau
Assistant Attorney General

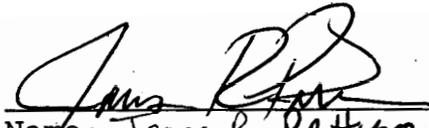
DATE: _____

ILLINOIS ENVIRONMENTAL PROTECTION
AGENCY

BY: _____
ROBERT A. MESSINA
Chief Legal Counsel

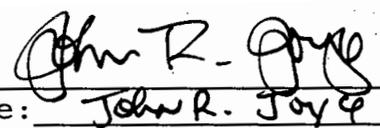
DATE: _____

PATTISON ASSOCIATES LLC

BY: 
Name: James R. Pattison
Title: MANAGER

DATE: 5/23/06

5701 SOUTH CALUMET LLC

BY: 
Name: John R. Joyce
Title: MANAGER

DATE: 5/23/06

CERTIFICATE OF SERVICE

I, PAULA BECKER WHEELER, an Assistant Attorney General in this case, do certify that I caused to be served this 14th day of June, 2006, the foregoing Stipulation and Proposal for Settlement, Motion for Request for Relief from Hearing Requirement and Notice of Filing upon the persons listed on said Notice by depositing same in an envelope, by first class postage and certified mail prepaid, with the United States Postal Service at 188 West Randolph Street, Chicago, Illinois, at or before the hour of 5:00 p.m.



PAULA BECKER WHEELER

June 14,2006