

**BEFORE THE ENVIRONMENTAL APPEAL BOARD  
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C.**

In the Matter of:

LU YUAN, INC., AND  
ZHEJIANG YONGKANG LUYUAN  
INDUSTRIAL & TRADING, CO., LTD.,

Respondents.

Docket No.  
CAA-HQ-2014-7829

**CONSENT AGREEMENT**

**Preliminary Statement**

1. This is a civil administrative penalty assessment proceeding instituted under section 205(c)(1) of the Clean Air Act (“CAA”), 42 U.S.C. § 7524(c)(1).
2. Complainant in this matter is the United States Environmental Protection Agency (“EPA”). On the EPA’s behalf, Phillip A. Brooks, Director, Air Enforcement Division, Office of Civil Enforcement, Office of Enforcement and Compliance Assurance, is authorized by lawful delegation to settle civil administrative penalty assessment proceedings under section 205(c)(1) of the CAA, 42 U.S.C. § 7524(c)(1). EPA Delegation 7-6-A (Aug. 4, 1994); Office of Enforcement and Compliance Assurance Redefinition 7-6-A (March 5, 2013); Office of Civil Enforcement Redefinition 7-6-A (March 5, 2013).
3. Respondents in this matter are Lu Yuan, Inc. (Lu Yuan), and Zhejiang Yongkang Luyuan Industrial & Trading, Co. Ltd. (Yongkang Luyuan) (collectively, “Respondents”).

4. Lu Yuan is a vehicle importer and Yongkang Luyuan is a vehicle manufacturer. Lu Yuan obtains from the EPA the certificates of conformity (“COC”) required by the CAA and imports or introduces vehicles built by Yongkang Luyuan into United States commerce.
5. Lu Yuan is incorporated under the laws of California and is located at 19295 E. Walnut Dr. N, Unit E, City of Industry, CA 91748. Yongkang Luyuan is located at 14 Dongta Road, Dongcheng Street, Yongkang, Zhejiang China.
6. The EPA and Respondents, having agreed to settle this action, consent to the entry of this Consent Agreement and the attached Final Order before taking testimony and without adjudication of any issues of law or fact herein, and agree to comply with the terms of this Consent Agreement and the attached Final Order.

#### **Jurisdiction**

7. This Consent Agreement is entered into under section 205(c)(1) of the CAA, 42 U.S.C. § 7524(c)(1), and the “Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits,” 40 C.F.R. Part 22 (“Consolidated Rules”).
8. The EPA may administratively assess a civil penalty if the penalty sought is less than \$320,000. CAA § 205(c)(1), 42 U.S.C. § 7524(c)(1), 40 C.F.R. §§ 19.4, 1068.125(b); Civil Monetary Penalty Inflation Adjustment Rule, 78 Fed. Reg. 66,643 (November 6, 2013) (to be codified at 40 C.F.R. § 19.4); see 40 C.F.R. § 1068.101(h) (defining a violation of 40 C.F.R. § 1068.101(a) as being a violation of CAA §§ 203 and 213(d), 42 U.S.C. §§ 7522 and 7547(d), for which the administrative penalty cap has been adjusted for inflation).

9. The Environmental Appeals Board is authorized to issue consent orders memorializing settlements between the EPA and Respondents resulting from administrative enforcement actions under the CAA, and to issue final orders assessing penalties under the CAA. 40 C.F.R. § 22.4(a)(1); EPA Delegation 7-41-C.
10. The Consolidated Rules provide that where the parties agree to settlement of one or more causes of action a proceeding may be simultaneously commenced and concluded by the issuance of a Consent Agreement and Final Order. 40 C.F.R. § 22.18(b).

### **Governing Law**

11. This proceeding arises under Part A of Title II of the CAA, 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, oxides of nitrogen, and carbon monoxide. The Alleged Violations of Law, stated below, apply to on-highway motorcycles and recreational vehicles. The applicable regulations for each type of vehicle are below.
12. General definitions:
  - (a) “Adjustable parameter” means any device, system, or element of design that someone can adjust (including those which are difficult to access) and that, if adjusted, may affect emissions or engine performance during emission testing or normal in-use operation. 40 C.F.R. § 1051.801.
  - (b) “Commerce” means commerce between any place in any State and any place outside thereof. 42 U.S.C. § 7550(6).

- (c) “Engine family” means a group of engines of a single model year that are expected to have similar emission characteristics throughout their useful life. 40 C.F.R. §§ 86.420-78, 1051.230.
- (d) “Manufacturer” means any person engaged in the manufacturing or assembling of new motor vehicles, new motor vehicle engines, new nonroad vehicles or new nonroad engines, or importing such vehicles or engines for resale, or who acts for and is under the control of any such person in connection with the distribution of new motor vehicles, new motor vehicle engines, new nonroad vehicles or new nonroad engines, but shall not include any dealer with respect to new motor vehicles, new motor vehicle engines, new nonroad vehicles or new nonroad engines received by him in commerce. 42 U.S.C. § 7550(1).
- (e) “Model year” means a manufacturer’s annual production period (as determined by the Administrator) which includes January 1 of such calendar year. If the manufacturer has no annual production period, the term “model year” shall mean the calendar year. 40 C.F.R. §§ 86.402-78, 1051.801.
- (f) “Person” includes individuals, corporations, partnerships, associations, states, municipalities, and political subdivisions of a state. 42 U.S.C. § 7602(e).
- (g) “Other adjustments” include changes to a recreational vehicle’s air-fuel ratio that can be made by an experienced mechanic in less than one hour and with a few parts whose total cost is under \$50 (in 2001 dollars). 40 C.F.R. § 1051.115(d).

13. Highway motorcycles:

- (a) “Motor vehicle” means any self-propelled vehicle designed for transporting persons or property on a street or highway. 42 U.S.C. § 7550(2).
- (b) “Motorcycle” refers to highway motorcycles and means a motor vehicle that weighs less than or equal to 793 kilograms (1,749 pounds) with a headlight, tail-light, stop-light, and two or three wheels. 40 C.F.R. § 86.402-98.
- (c) The vehicles identified herein as “highway motorcycles” meet the definition of “motorcycle” at 40 C.F.R. § 86.402-98, are a type of “motor vehicle,” and are subject to the emission standards and other requirements under 40 C.F.R. Part 86.
- (d) Model year 2006 and later highway motorcycles must satisfy air pollutant emission standards in 40 C.F.R. §§ 86.401-2006 and 86.410-2006. These emission standards impose limits on emissions of oxides of nitrogen, carbon monoxide, hydrocarbons, evaporative emissions, and impose other requirements.
- (e) To demonstrate that a highway motorcycle satisfies emission and other standards, it must be covered by an EPA-issued COC. *See* 40 C.F.R. § 86.407-78.
- (f) Each COC states that it “does not cover vehicles sold, offered for sale, introduced, or delivered for introduction into commerce in the U.S. prior to the effective date of the [COC].” Each COC also states that it covers only those vehicles produced during the model year production period stated on the COC. *See* 40 C.F.R. § 86.437-78(a)(2)(ii).
- (g) Each COC states that it covers “only those vehicles which conform, in all material respects, to the design specifications that applied to those vehicles described in the documentation required by 40 C.F.R. Part 86.”

- (h) A manufacturer or person may not import or sell a model year 2006 or later highway motorcycle unless it is covered by a COC or otherwise exempt from the prohibition on importing uncertified motorcycles. 42 U.S.C. § 7522(a)(1); 40 C.F.R. § 86.407-78; *see* 42 U.S.C. § 7550(1) (defining *manufacturer* to include importers).
- (i) A manufacturer of any motorcycle shall, at the time of manufacture, affix a permanent and legible label that contains specified information. The label shall be affixed in such a manner that it cannot be removed without destroying or defacing the label. 40 C.F.R. § 86.413-2006(a).
- (j) A manufacturer of any motorcycle may not sell or lease a vehicle unless the proper emissions information label is affixed to the vehicle in accordance with regulations. 42 U.S.C. § 7522(a)(4)(A); *see* 40 C.F.R. §§ 86.413-2006(a)(4) and 1051.135(b)-(e) (detailing the labeling compliance requirements).
- (k) The application for a COC must include a description of all fuel system components and the range of available fuel and ignition system adjustments on the vehicle. 40 C.F.R. § 86.416-80. This description must specify all adjustable parameters, and the EPA has determined that adjustment of the following parameters may affect emissions: idle mixture screw (a low-speed, fuel-system adjustment of the air-to-fuel ratio) and a jet needle with multiple grooves for adjustment (a mid-range, fuel-system adjustment of the air-to-fuel ratio). 40 C.F.R. §§ 86.416-80(a)(2)(ii), 86.428-80(d). In reviewing an application for a COC, the EPA evaluates the adjustability of the parameters based on information provided in the application for a COC. Upon inspection, if and when that occurs, to determine the adequacy of stops, seals, or locks, the EPA will consider whether the average operator or mechanic could

deactivate the stops, seals, or locks in a reasonable amount of time using common hand tools. EPA Advisory Circular MC-6 (1978), *available at* [http://iaspub.epa.gov/otaqpub/display\\_file.jsp?docid=14384&flag=1](http://iaspub.epa.gov/otaqpub/display_file.jsp?docid=14384&flag=1) (last visited September 2, 2014).

14. Recreational vehicles:

- (a) “Recreational” means relating to snowmobiles, all-terrain vehicles, off-highway motorcycles, and other vehicles regulated under 40 C.F.R. Part 1051. 40 C.F.R. § 1051.801.
- (b) “All-terrain vehicle” means a land-based or amphibious nonroad vehicle that either:
  - (a) is designed to travel on four low-pressure tires, has a seat designed to be straddled by the operator and handlebars for steering control, and is intended for use by a single operator and no other passengers; or
  - (b) has three or more wheels and one or more seats, is designed for operation over rough terrain, is intended primarily for transportation, and has a maximum vehicle speed of 25 miles per hour or higher.40 C.F.R. § 1051.801.
- (c) “Off-highway motorcycle” means a two-wheeled vehicle with a nonroad engine and a seat. 40 C.F.R. § 1051.801.
- (d) Each vehicle identified herein as a “recreational vehicle” or “all-terrain vehicle” or “off-highway motorcycle” meets the definition of such vehicle and is subject to the emission standards and other requirements set forth in 40 C.F.R. Parts 1051 and 1068. The requirements of 40 C.F.R. Parts 1051 and 1068 also apply to new engines used in recreational vehicles. 40 C.F.R. §§ 1051.1(a), 1068.1(8).

- (e) Model year 2006 and later new recreational vehicles and engines with displacement less than or equal to 1000 cubic centimeters (“cc”), maximum engine power less than or equal to 30 kilowatts (kW), and maximum vehicle speed higher than 25 miles per hour must satisfy air pollutant emission standards in 40 C.F.R. §§ 1051.101–1051.115, 40 C.F.R. § 1051.1. These emission standards impose limits on emissions of oxides of nitrogen, carbon monoxide, hydrocarbon, and exhaust opacity.
- (f) To demonstrate that an imported recreational vehicle satisfies emission standards, it must be covered by an EPA-issued COC. 40 C.F.R. § 1068.301(b); *see* 40 C.F.R. Part 1051 Subpart C (outlining COCs and the application requirements).
- (g) The application for a COC must describe all adjustable parameters and other adjustments on vehicles in the engine family. 40 C.F.R. § 1051.205(q). Where a recreational vehicle has adjustable parameters or other adjustments, the applicant must demonstrate that the vehicle meets emission standards throughout the adjustable range. 40 C.F.R. § 1051.115(c), (d).
- (h) Each COC states that it “does not cover vehicles sold, offered for sale, introduced, or delivered for introduction into commerce in the U.S. prior to the effective date of the [COC].”
- (i) Each COC states that it covers “only those vehicles which conform, in all material respects, to the design specifications that applied to those vehicles described in the documentation required by 40 C.F.R. Part 1051.”
- (j) A manufacturer may not sell, offer for sale, introduce into commerce, or deliver for introduction into commerce in the United States, a model year 2006 or later recreational vehicle—or cause any of the foregoing—unless that recreational vehicle

is covered by a COC. 42 U.S.C. §§ 7522(a)(1), 7547(d); 40 C.F.R. § 1068.101(a)(1); see 42 U.S.C. § 7550(1), 40 C.F.R. § 1068.30 (defining *manufacturer* to include importers).

(k) A manufacturer may not sell, offer for sale, introduce into commerce, or deliver for introduction into commerce in the United States a model year 2006 or later recreational vehicle—or cause any of the foregoing—unless that recreational vehicle has the required label or tag. 40 C.F.R. § 1068.101(a)(1); see 40 C.F.R. § 1051.135 (detailing the labeling compliance requirements).

(l) A manufacturer of any recreational vehicle who has applied for certification must maintain a complete record of all emissions tests performed, including test results and the date and purpose of each test. 42 U.S.C. §§ 7522(a), 7542, 7547(d); 40 C.F.R. §§ 1051.250(b), 1068.101(a)(2).

15. Crankcase emissions from a vehicle may not be directly discharged into the atmosphere. 40 C.F.R. §§ 86.410-2006(d), 1051.115(a).

16. A manufacturer who, between March 15, 2004, and January 12, 2009, sold, offered for sale, introduced into commerce, delivered for introduction into commerce, or imported into the United States, a highway motorcycle or recreational vehicle that was not covered by a COC, or who sold or leased a mislabeled motor vehicle, is subject to a civil penalty of up to \$32,500 for each such vehicle. 42 U.S.C. § 7524(a); 40 C.F.R. §§ 19.4. This penalty amount increased from \$32,500 to \$37,500 for violations that occur after January 12, 2009. 40 C.F.R. § 19.4 (describing the penalties and increasing them to account for inflation).

### **Stipulated Facts**

17. The Subject Vehicles are highway motorcycles and recreational vehicles as defined above, and are subject to the emission standards and compliance provisions of the CAA and its regulations. 42 U.S.C. §§ 7522, 7547(d).
18. Respondents are “persons” as defined above.
19. Respondents are “manufacturers” as defined above.
20. Lu Yuan imported all the vehicles at issue in this matter.
21. Yongkang Luyuan produced each vehicle at issue in this matter except as noted below.

### **Alleged Facts and Violations of Law**

22. Based on information obtained from inspections, the EPA alleges in its complaint that Respondents sold, offered for sale, introduced or delivered for introduction into commerce, or imported (or caused the foregoing acts with respect to) 192 uncertified highway motorcycles manufactured by Zhejiang Chaozhong Industrial Co., Ltd. (Subject Motorcycles), in violation of section 203(a)(1) of the CAA, 42 U.S.C. § 7522(a)(1), and 40 C.F.R. Part 86, Subpart E; 690 uncertified recreational vehicles including all-terrain vehicles and off-road motorcycles (Subject Recreational Vehicles) in violation of 40 C.F.R. § 1068.101(a)(1), and 271 recreational vehicles without compliant emission control information labels in violation of 40 C.F.R. § 1051.135 and 40 C.F.R. § 1068.101(a)(1). Specifically, this includes:

- (a) 192 highway motorcycles purportedly covered by the COC for engine family 7CHZX.250DM5 or 8CHZX.250DMA do not materially conform to the condition stated on their respective purported COC because:

- (1) The COC is for recreational vehicles, but the Subject Motorcycles are highway motorcycles pursuant to the regulations. 40 C.F.R. § 86.410-2006(a)(1). No other COC covers these vehicles.
- (2) The Subject Motorcycles have crankcases that are open and directly discharge to the atmosphere, but the applications for the COC include a certification that the Subject Motorcycles comply with all provisions of the regulations, including those which prohibit open crankcases. 40 C.F.R. §§ 86.410-2006(d), 1051.115(a). No other COC covers these vehicles.
- (3) The Subject Motorcycles contain a catalyst with significantly less volume or cell density than the catalyst design described in the application for the COC. No other COC covers these vehicles.
- (4) The Subject Motorcycles are equipped with carburetors whose manufacturer does not match the manufacturer provided in the application for the COC, and because they have an idle air-fuel mixture screw that could be adjusted whereas the COC described a carburetor with a nonadjustable idle air-fuel mixture screw. No other COC covers these vehicles.

(b) 690 recreational vehicles purportedly covered by the COC for engine family CLUYX.050AA2 or 9LUYX.050AA2 do not materially conform to the specifications in the applications for their respective purported COCs because:

- (1) 460 recreational vehicles of engine family CLUYX.050AA2 each contain a catalyst that is missing the platinum and rhodium described in the application for a COC and has significantly less total precious metal

loading that the catalyst design described in the application for the COC.  
No other COC covers these vehicles.

(2) 230 recreational vehicles of engine family 9LUYX.050AA2 each contain a carburetor with a jet needle which has five clip positions to adjust the carburetor's air-fuel ratio, whereas the application for the COC described no adjustable parameter or other adjustments. No other COC covers these vehicles.

(c) The respondents violated 40 C.F.R. § 1068.101(a)(1) by selling, offering for sale, introducing into commerce, delivering for introduction into commerce, or importing—or causing the foregoing with respect to—271 recreational vehicles within engine family DLUYX.050DAA without compliant emission control information labels.

### **Terms of Agreement**

23. The EPA has reviewed tax returns, balance sheets, financial statements and bank records submitted by Respondents (Financial Information) and has determined that Respondents have a limited ability to pay the full penalty provided under the “Clean Air Act Mobile Source Civil Penalty Policy—Vehicle Engine Certification Requirements” issued by Granta Y. Nakayama, Assistant Administrator, on January 16, 2009.
24. By signing this Consent Agreement, Respondents certify that they have submitted to the EPA Financial Information that: (a) fairly, accurately, and materially sets forth their financial circumstances; (b) those circumstances have not materially changed between the time the Financial Information was submitted to the EPA and the time the Respondents execute this

Consent Agreement; and (c) they have fully disclosed documents showing the existence of any insurance policies that may cover any payment of a civil penalty relating to this matter.

25. By signing this Consent Agreement, Respondents further certify that they do not have any remaining inventory in their possession or control, or in the control of any of their dealers, related to any of the vehicles and engine families specified in this Consent Agreement, except those in entry # BED-0019829-4, which have been remediated and may be sold by Lu Yuan. For the purpose of this proceeding, Respondents:

- (a) admit that the EPA has jurisdiction over this matter as stated above;
- (b) admit to the stipulated facts stated above;
- (c) neither admit nor deny the alleged facts and violations of law stated above and in the complaint;
- (d) consent to the assessment of a civil penalty as stated below;
- (e) consent to the conditions specified in this Consent Agreement;
- (f) waive any right to contest the alleged violations of law; and
- (g) waive their right to appeal the Final Order accompanying this Consent Agreement.

26. Respondents must pay to the United States a civil penalty of \$128,000 (the Civil Penalty).

27. Respondents must pay the entire Civil Penalty to the United States pursuant to the following schedule: \$68,000 within 30 calendar days following the issuance of the attached Final Order (i.e., 30 calendar days following the Effective date of this Consent Agreement and attached Final Order); and (2) \$60,000 penalty within 150 calendar days following the Effective Date of this Consent Agreement and attached Final Order plus 1.00% annual interest, up to \$250 for 150 days, on that portion of the Civil Penalty not paid within 30 calendar days following

the issuance of the attached Final Order in accordance with 31 U.S.C. § 3717(a)(1), 40 C.F.R. § 13.11(a), and 78 Fed. Reg. 65,430.

28. Respondents agrees to pay the Civil Penalty in the manner specified below:

(a) Pay the EPA Penalty using any method, or combination of methods, provided on the following website:

[http://www.epa.gov/cfo/finservices/payment\\_instructions.htm](http://www.epa.gov/cfo/finservices/payment_instructions.htm);

(b) Identify each and every payment with “Docket No. CAA-HQ-2014-7829”; and

(c) Within 24 hours of payment, email proof of payment to David Alexander at [alexander.david@epa.gov](mailto:alexander.david@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 that payment has been made according to EPA requirements, in the amount due, and identified with “Docket No. CAA-HQ-2014-7829”).

29. Respondents acknowledges that this Consent Decree settles only those violations alleged by the EPA in its complaint.

30. Failure to pay the full amount of the penalty assessed under this Consent Agreement may subject Respondents to a civil action to collect any unpaid portion of the proposed civil penalty and interest. In order to avoid the assessment of interest, administrative costs and a late payment penalty in connection with such civil penalty, as described in the following Paragraph of this Consent Agreement, Respondents must timely pay the penalty.

31. The EPA is required to assess interest and penalties on debts owed to the United States and a charge to cover the costs of processing and handling the delinquent claim. Pursuant to 31 U.S.C. § 3717, Respondent must pay the following amounts on any amount overdue:

- (a) Interest: Any unpaid portion of a civil penalty must bear interest at the rate established by the Secretary of the Treasury pursuant to 31 U.S.C. § 3717(a)(1). Interest will be assessed at the rate of the United States Treasury tax and loan account rate in accordance with 40 C.F.R. § 13.11(a).
- (b) Late Payment Penalty: On any portion of a civil penalty more than 90 calendar days delinquent, Respondent must pay a late payment penalty of 6% per annum, which will accrue from the date the penalty became delinquent. This late payment penalty is in addition to charges which accrue or may accrue under Subparagraph (a).

32. If Respondents fail to timely pay any portion of the penalty assessed under this Agreement, EPA may:

- (a) Request the Attorney General to bring a civil action in an appropriate district court to recover the amount assessed.
- (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.
- (d) Suspend or revoke Respondents' licenses or other privileges, and suspend or disqualify Respondent from doing business with the EPA or engaging in programs that the EPA sponsors or funds, 40 C.F.R. § 13.17.

33. Under 28 U.S.C. § 162(f), penalties paid pursuant to this Consent Agreement are not deductible for federal tax purposes.
34. Respondents agree that the time period from the Effective Date of this Agreement until all of the conditions specified in Paragraph 27 are completed (the “Tolling Period”) shall not be included in computing the running of any statute of limitations potentially applicable to any action for injunctive or other equitable relief brought by Complainant on any of the alleged facts and violations of law (the “Tolled Claims”). Respondent shall not assert, plead, or raise in any fashion, whether by answer, motion or otherwise, any defense of laches, estoppel, or waiver, or other similar equitable defense based on the running of any statute of limitations or the passage of time during the Tolling Period in any action brought on the Tolled Claims.

#### **Effect of Consent Agreement and Attached Final Order**

35. Completion of the terms of this Consent Agreement and attached Final Order will resolve Respondents’ civil penalty liability for the alleged violations above.
36. This Consent Agreement and attached Final Order apply to and are binding upon the Complainant and the Respondents. Successors and assigns of Respondents are also bound if they are owned, in whole or in part, directly or indirectly, or otherwise controlled by Respondents. Nothing in the previous sentence adversely affects any right of the EPA under applicable law to assert successor or assignee liability against Respondents’ successor or assignee.
37. This Consent Agreement constitutes the entire agreement and understanding between Complainant and Respondents and supersedes any prior agreements or understandings,

whether written or oral, among the Complainant and Respondents with respect to the subject matter hereof.

38. Complainant and the Respondents each certify that its undersigned representative is fully authorized by the party whom he or she represents to enter into the terms and conditions of the Consent Agreement, to execute it on behalf of that party, and to legally bind that party on whose behalf he or she signs this Consent Agreement. Both parties agree that each party's obligations under this Consent Agreement and Final Order constitute sufficient consideration for the other party's obligations under this Consent Agreement and Final Order.
39. By signing this Consent Agreement, Respondents acknowledges that this Consent Agreement and attached Final Order will be available to the public and agree that it does not contain any confidential business information.
40. Nothing in this Consent Agreement shall relieve Respondents of the duty to comply with all applicable provisions of the CAA or other federal, state, or local laws or statutes, nor shall it restrict the 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.
41. By signing this Consent Agreement, Respondents certifies that the information it has supplied concerning this matter was at the time of submission, and is, truthful, accurate, and complete for each such submission, response, and statement. Respondents realize 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.

42. The EPA reserves the right to revoke this Consent Agreement and accompanying settlement penalty if and to the extent the EPA finds, after signing this Consent Agreement, that any information provided by Respondents was materially false or inaccurate at the time such information was provided to the EPA, and the EPA reserves the right to assess and collect any and all civil penalties for any violation described herein. The EPA shall give Respondents oral notice of its intent to revoke, which shall not be effective until received by Respondents in writing.
43. Respondents must provide any and all information requested by the EPA in order for the EPA to determine Respondents' compliance with the terms of this Consent Agreement.
44. By signing this Consent Agreement, Complainant and Respondents agree to bear their own costs and attorney's fees in the action resolved by this Consent Agreement and attached Final Order.
45. If Respondents fails to comply with any provision contained in this Consent Agreement and Final Order, Respondents waive any right they have whether in law, equity or both to challenge the authority of the EPA to bring a civil action in the appropriate United States District Court to compel compliance with the Consent Agreement and attached Final Order or to seek an additional penalty for such noncompliance.
46. The Complainant and Respondents agree to submit this Consent Agreement to the Environmental Appeals Board with a request that it be incorporated into a Final Order.
47. Respondents and Complainant agree to issuance of the attached Final Order. Upon filing, the EPA will transmit a copy of the filed Consent Agreement to the Respondents. This Consent Agreement and attached Final Order shall become effective after execution of the Final

Order by the Environmental Appeals Board and filing with the Hearing Clerk (“Effective Date”).

The foregoing Consent Agreement In the Matter of Lu Yuan, Inc., and Zhejiang Yongkang Luyuan Industrial & Trading, Co., Ltd. Docket No. CAA-HQ-2014-7829, is Hereby Stipulated, Agreed, and Approved for Entry.

*Gangyi Ying*

*09/17/14*

\_\_\_\_\_  
GangYi Ying  
Lu Yuan, Inc.  
19295 E. Walnut Dr. N, Unit E  
City of Industry, CA 91748

\_\_\_\_\_  
Date

**For: Lu Yuan, Inc.  
Zhejiang Yongkang Luyuan Industrial & Trading, Co. Ltd.,**

**For Complainant:**

\_\_\_\_\_  
Phillip A. Brooks, Director  
Air Enforcement Division  
Office of Civil Enforcement  
Office of Enforcement and Compliance Assurance  
U.S. Environmental Protection Agency  
1200 Pennsylvania Ave., N.W.  
Washington, DC 20460-0001

\_\_\_\_\_  
Date

The foregoing Consent Agreement In the Matter of Lu Yuan, Inc., and Zhejiang Yongkang Luyuan Industrial & Trading, Co., Ltd. Docket No. CAA-HQ-2014-7829, is Hereby Stipulated, Agreed, and Approved for Entry.

\_\_\_\_\_  
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Lu Yuan, Inc.  
19295 E. Walnut Dr. N, Unit E  
City of Industry, CA 91748

\_\_\_\_\_  
Date

**For: Lu Yuan, Inc.**  
**Zhejiang Yongkang Luyuan Industrial & Trading, Co. Ltd.,**

**For Complainant:**

  
\_\_\_\_\_  
Phillip A. Brooks, Director  
Air Enforcement Division  
Office of Civil Enforcement  
Office of Enforcement and Compliance Assurance  
U.S. Environmental Protection Agency  
1200 Pennsylvania Ave., N.W.  
Washington, DC 20460-0001

9/12/2014  
\_\_\_\_\_  
Date



CERTIFICATE OF SERVICE

I certify that the foregoing "Consent Agreement" and "Final Order," In the Matter of Lu Yuan, Inc., and Zhejiang Yongkang Luyuan Industrial & Trading, Co., Ltd. Docket No. CAA-HQ-2014-7829, were filed and copies of the same were mailed to the parties as indicated below.

**Via Interoffice Mail:**

David Alexander, US EPA, Air Enforcement Division  
1200 Pennsylvania Avenue, N.W.  
Mail Code 2242A  
William Jefferson Clinton Building South Room 1111C  
Washington, D.C. 20460

**Via U.S.P.S. Certified Mail:**

James Rubin  
Dentons US LLP  
1301 K Street, NW  
Suite 600, East Tower  
Washington, DC 20005-3364  
Attorney for Respondents

**SEP 30 2014**

  
Annette Duncan, Secretary  
U.S. Environmental Protection Agency  
Environmental Appeals Board

Dated: \_\_\_\_\_