CERTIFIED MAIL

March 29, 2006

Re: Director’s Final Findings & Orders
Spectrum Dispersions, Inc.
US EPA ID No.: OHR 000 028 902

Gary E. Klemm, President
Spectrum Dispersions, Inc.
225 West Lake Street
Ravenna, Ohio 44266

Dear Mr. Klemm:

Here are the Director’s Final Findings and Orders (Orders) issued to Spectrum Dispersions, Inc. on March 29, 2006. These Orders are effective today.

I have also enclosed invoices for the penalty payments as required by Order No. 1.a. through c. Please remember that your first payment is due no later than April 28, 2006.

If you have any questions concerning compliance with these Orders, do not hesitate to contact Kurt Princic, District Manager (330) 425 - 9171.

Sincerely,

Pamela S. Allen, Manager
Regulatory and Information Services
Division of Hazardous Waste Management

Attachments

cc: Michael A. Savage, Chief, DHWM
Harry Sarvis, Mgr., CAS, DHWM
Elissa Miller, Legal
Heidi Greilmer, PIC
Kurt Princic, Mgr., DHWM, NEDO

Bob Taft, Governor
Bruce Johnson, Lieutenant Governor
Joseph P. Koncelik, Director
Ohio EPA is an Equal Opportunity
BEFORE THE
OHIO ENVIRONMENTAL PROTECTION AGENCY

In the Matter of:

Spectrum Dispersions, Inc.
225 West Lake Street
Ravenna, Ohio 44266

Director's Final
Findings and Orders

Respondent

PREAMBLE

It is agreed by the parties hereto as follows:

I. JURISDICTION

These Director's Final Findings and Orders (Orders) are issued to Spectrum Dispersions, Inc. (Respondent) pursuant to the authority vested in the Director of the Ohio Environmental Protection Agency (Ohio EPA) under Ohio Revised Code (ORC) §§ 3734.13 and 3745.01.

II. PARTIES BOUND

These Orders shall apply to and be binding upon Respondent and successors in interest liable under Ohio law. No change in ownership of Respondent or of the Facility shall in any way alter Respondent's obligations under these Orders.

III. DEFINITIONS

Unless otherwise stated, all terms used in these Orders shall have the same meaning as defined in ORC Chapter 3734, and the rules promulgated thereunder.
IV. FINDINGS

The Director of Ohio EPA has determined the following findings:

1. Respondent is a "person" as defined in ORC § 3734.01(G) and Ohio Administrative Code (OAC) rule 3745-50-10(A).

2. Respondent operates as a manufacturer and blender of paint, adhesives, and solvent-resin blends and is located at 225 West Lake Street, Ravenna, Portage County, Ohio (Facility). Respondent notified Ohio EPA of its hazardous waste activities and was issued generator identification number OHR000028902.

3. At the Facility, Respondent generates "hazardous waste" as that term is defined by ORC § 3734.01(J) and OAC rules 3745-50-10(A) and 3745-51-03. Respondent is a large quantity generator of hazardous waste. The hazardous waste generated by Respondent at the Facility includes spent solvent (D001, F003, F005), spent solvent wipers and filters (D001, F003, F005) and out-dated products (D001, D035, F003, F005).

4. On September 8, 2005, Ohio EPA conducted a compliance evaluation inspection at the Facility. As a result of the inspection, Ohio EPA determined that Respondent had, inter alia:

   a. Established and operated a hazardous waste storage facility without a permit, in violation of ORC § 3734.02(E) & (F);

   b. Caused hazardous waste to be transported to a facility not operating under a hazardous waste permit issued in accordance with ORC Chapter 3734., in violation of ORC § 3734.02(F);

   c. Failed to determine whether wastes generated at the Facility were hazardous waste, in violation of OAC rule 3745-52-11;

   d. Failed to provide adequate hazardous waste management training to employees at the Facility that handle and/or manage hazardous waste, in violation of OAC rules 3745-54-16(A) through (C)/3745-65-16(A) through (C);

   e. Failed to maintain personnel training documentation for employees at the Facility that handle and/or manage hazardous waste, in violation of OAC rules 3745-54-16(D)/3745-65-16(D);
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f. Failed to develop and maintain on-site a hazardous waste contingency plan, in violation of OAC rules 3745-54-52/3745-65-52;

g. Failed to conduct and document inspections of spill control equipment at the Facility, in violation of OAC rules 3745-54-33/3745-65-33;

h. Failed to maintain adequate aisle space in areas at the Facility where hazardous wastes are stored, in violation of OAC rules 3745-54-35/3745-65-35;

i. Failed to mark an excess accumulation (over 55 gallons) of hazardous waste with the accumulation start date, in violation of OAC rule 3745-52-34(C);

j. Failed to mark containers holding hazardous waste with the accumulation start date, in violation of OAC rule 3745-52-34(A)(2);

k. Failed to keep containers of hazardous waste closed except when adding or removing waste, in violation of OAC rules 3745-55-73(A)/3745-66-73(A);

l. Failed to conduct and document weekly inspections of areas at the Facility where hazardous wastes were stored, in violation of OAC rules 3745-55-74/3745-66-74; and

m. Failed to list all constituents of concern on a land disposal restriction notification form for an off-site shipment of hazardous waste, in violation of OAC rule 3745-270-07(A)(2).

5. By letter dated September 20, 2005, Ohio EPA notified Respondent of the violations referenced in Finding Nos. 4.a. through 4.m. of these Orders. Also in the September 20, 2005 letter, Ohio EPA notified Respondent that Respondent had abated the violation referenced in Finding No. 4.j. of these Orders.


7. On November 8, 2005, Ohio EPA conducted a follow up inspection at the Facility.
8. By letter dated November 15, 2005, Ohio EPA notified Respondent that Respondent had abated the violations referenced in Finding Nos. 4.c. through 4.i., and 4.k. through 4.m. of these Orders.

9. Based upon the information contained in Respondent's October 17 and November 10, 2005 letters to Ohio EPA, referenced in Finding No. 6 of these Orders, as well as the observations made during Ohio EPA's November 8, 2005 follow up inspection at the Facility, the Director has determined that no additional action is required of Respondent regarding the violations referenced in Finding Nos. 4.a. and 4.b. of these Orders. In addition, and because no releases of hazardous waste were observed, the Director has determined that it is unnecessary to reserve closure for the hazardous waste storage unit.

V. ORDERS

Respondent shall achieve compliance with Chapter 3734. of the ORC and the regulations promulgated thereunder according to the following compliance schedule:

1. Respondent shall pay Ohio EPA the amount of $33,150.00 in settlement of Ohio EPA's claims for civil penalties, which may be assessed pursuant to ORC Chapter 3734., in accordance with the following provisions:

   a. Within 30 days after the effective date of these Orders, Respondent shall pay Ohio EPA the amount of $26,500.00 in settlement of Ohio EPA's claims for civil penalties which will be deposited into the hazardous waste cleanup fund established pursuant to ORC § 3734.28. Payment shall be made by an official check made payable to "Treasurer, State of Ohio" for $26,500.00. The official check shall be submitted to Ohio EPA, Office of Fiscal Administration, Department L-2711, Columbus, Ohio 43260-2711, together with a letter identifying Respondent. A copy of this check shall be submitted in accordance with Section X. of these Orders.

   b. In lieu of paying the remaining $6,650.00 of civil penalty to Ohio EPA, Respondent shall fund a supplemental environmental project (SEP) by making a contribution in the amount of $6,650.00 to the Ohio EPA Clean Diesel School Bus Program (Fund 5CD). Respondent shall make the payment within 30 days after the effective date of these Orders by tendering an official check made payable to "Treasurer, State of Ohio" for $6,650.00. The official check shall be submitted to Brenda Case, or her successor, Ohio EPA, Office of Fiscal
Administration, Department L-2711, Columbus, Ohio 43260-2711, together with a letter identifying Respondent. A copy of this check shall be submitted in accordance with Section X. of these Orders, and an additional copy of this check shall be sent to James A. Orlemann, Assistant Chief, SIP Development and Enforcement, or his successor, Ohio EPA, Division of Air Pollution Control, P.O. Box 1049, Columbus, Ohio 43216-1049.

c. Should Respondent fail to fund the SEP within the required time frame established in Order No. 1.b., Respondent shall pay to Ohio EPA, within 7 days after failing to comply with Order No. 1.b., the amount of $6,650.00 in accordance with the procedures in Order No. 1.a.

VI. TERMINATION

Respondent's obligations under these Orders shall terminate when Respondent certifies in writing and demonstrates to the satisfaction of Ohio EPA that Respondent has performed all obligations under these Orders and Ohio EPA's Division of Hazardous Waste Management acknowledges, in writing, the termination of these Orders. If Ohio EPA does not agree that all obligations have been performed, then Ohio EPA will notify Respondent of the obligations that have not been performed, in which case Respondent shall have an opportunity to address any such deficiencies and seek termination as described above.

The certification shall contain the following attestation: "I certify that the information contained in or accompanying this certification is true, accurate and complete."

This certification shall be submitted by Respondent to Ohio EPA and shall be signed by a responsible official of Respondent. For purposes of these Orders, a responsible official is a corporate officer who is in charge of a principal business function of Respondent.

VII. OTHER CLAIMS

Nothing in these Orders shall constitute or be construed as a release from any claim, cause of action or demand in law or equity against any person, firm, partnership or corporation, not a party to these Orders, for any liability arising from, or related to, the operation of Respondent's Facility.
VIII. OTHER APPLICABLE LAWS

All actions required to be taken pursuant to these Orders shall be undertaken in accordance with the requirements of all applicable local, state and federal laws and regulations. These Orders do not waive or compromise the applicability and enforcement of any other statutes or regulations applicable to Respondent.

IX. MODIFICATIONS

These Orders may be modified by agreement of the parties hereto. Modifications shall be in writing and shall be effective on the date entered in the journal of the Director of Ohio EPA.

X. NOTICE

All documents required to be submitted by Respondent pursuant to these Orders shall be addressed to:

Ohio Environmental Protection Agency
Northeast District Office
Division of Hazardous Waste Management
2110 E. Aurora Road
Twinsburg, Ohio 44087
Attn: DHWM Manager

and Ohio EPA Central Office at the following address:

For mailings, use the post office box number:

Joseph P. Koncelik, Director
Ohio Environmental Protection Agency
Lazarus Government Center
Division of Hazardous Waste Management
P.O. Box 1049
Columbus, Ohio 43216-1049
Attn: Manager, Compliance Assurance Section
For deliveries to the building:

Joseph P. Koncelik, Director
Ohio Environmental Protection Agency
Lazarus Government Center
Division of Hazardous Waste Management
122 South Front Street
Columbus, Ohio 43215
Attn: Manager, Compliance Assurance Section

or to such persons and addresses as may hereafter be otherwise specified in writing by Ohio EPA.

XI. RESERVATION OF RIGHTS

Ohio EPA reserves its right to exercise its lawful authority to require Respondent to perform corrective action at the Facility, at some time in the future, pursuant to ORC Chapter 3734, or any other applicable law. Respondent reserves its rights to raise any administrative, legal or equitable claim or defense with respect to any final action of the Director regarding such corrective action. Ohio EPA and Respondent each reserve all other rights, privileges and causes of action, except as specifically waived in Section XII. of these Orders.

XII. WAIVER

In order to resolve disputed claims, without admission of fact, violation or liability, Respondent consents to the issuance of these Orders and agrees to comply with these Orders. Except for the right to seek corrective action at the Facility by Respondent, which right Ohio EPA does not waive, compliance with these Orders shall be a full accord and satisfaction for Respondent's liability for the violations specifically cited herein.

Respondent hereby waives the right to appeal the issuance, terms and conditions, and service of these Orders, and Respondent hereby waives any and all rights Respondent may have to seek administrative or judicial review of these Orders either in law or equity.

Notwithstanding the preceding, Ohio EPA and Respondent agree that if these Orders are appealed by any other party to the Environmental Review Appeals Commission, or any court, Respondent retains the right to intervene and participate in such appeal. In such an event, Respondent shall continue to comply with these Orders notwithstanding such appeal and intervention unless these Orders are stayed, vacated or modified.
XIII. EFFECTIVE DATE

The effective date of these Orders is the date these Orders are entered into the Ohio EPA Director's journal.

XIV. SIGNATORY AUTHORITY

Each undersigned representative of a party to these Orders certifies that he or she is fully authorized to enter into these Orders and to legally bind such party to these Orders.

IT IS SO ORDERED AND AGREED:

Ohio Environmental Protection Agency

[Signature]
Joseph P. Koczela
Director

MAR 29 2006
Date

IT IS SO AGREED:

Spectrum Dispersions, Inc.

[Signature]
Gary E. Klemm
Printed or Typed Name

3/14/06
Date

PRESIDENT