

AUG 01 2019



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105-3901

7015 3010 0000 3883 4522

CERTIFIED MAIL NO.
RETURN RECEIPT REQUESTED

Mr. Masaki Nakayama
General Manager
APEX Integration, Inc.
1449 W. Orange Grove Avenue
Suite A
Orange, CA 92868

Re: Docket No. R9-CAA-19-1010

Dear Mr. Nakayama:

As you know, authorized representatives of the United States federal government conducted an inspection to determine your company's compliance with the Clean Air Act (CAA) and regulations promulgated thereunder. The details of this inspection were previously communicated to you and are outlined in the enclosed Clean Air Act Mobile Source Expedited Settlement Agreement (Agreement). As a result of the inspection, the United States Environmental Protection Agency (EPA) has determined that your company failed to comply with the CAA and the associated regulations. The Agreement describes the violations.

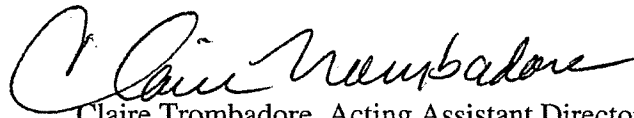
Based upon the information we currently have, it appears your company has not previously violated the CAA. Because of this, you may resolve the current violation(s) using an expedited process that includes significantly lower penalties than those sought through the normal settlement process. EPA is authorized to enter into this Agreement under the authority vested in the EPA Administrator by Section 205(c)(1) of the CAA, 42 U.S.C. § 7524(c)(1). Should your company violate the CAA in the future, the EPA will not offer this expedited process again. After the Agreement becomes effective, the EPA will assess no further civil penalties against your company for the violation(s) described in the Agreement. However, the EPA does not waive any right to take an enforcement action for any other past, present, or future violations of the CAA, or of any other federal statute or regulation.

We would also like to point out to you that, under 42 U.S.C. § 7413(c)(2)(C), "Any person who knowingly...falsifies, tampers with, renders inaccurate, or fails to install any monitoring device or method required to be maintained or followed under [the Clean Air Act] shall, upon conviction, be punished by a fine...or by imprisonment...or both." Therefore, EPA expects that you will cease the operations that lead to these violations and no longer engage in those types of activities in the future, as you have represented to the Agency.

If you do not sign and return the enclosed Agreement as presented within 15 calendar days of receipt and meet all of your obligations under the Agreement, the proposed Agreement is withdrawn without prejudice to the EPA's ability to file an enforcement action for the violation(s) identified in the Agreement, and the EPA retains the ability to seek penalties of up to \$4,619 per violation of Section 203(a)(3) of the CAA, 42 U.S.C. § 7522(a)(3).

Please refer to "CAA Mobile Source Expedited Settlement Agreement Instructions," attached, for instructions on accepting this Agreement.

Sincerely,

A handwritten signature in black ink, appearing to read "Claire Trombadore". The signature is fluid and cursive, with the first name "Claire" being more prominent and larger than the last name "Trombadore".

Claire Trombadore, Acting Assistant Director
Enforcement and Compliance Assurance Division
EPA Region 9

Enclosure

Enclosure
CLEAN AIR ACT MOBILE SOURCE EXPEDITED SETTLEMENT AGREEMENT

DOCKET NO. R9-CAA-19-1010

Respondent: APEX Integration, Inc.
1449 W. Orange Grove Ave., Suite A
Orange, CA 92868

1. The parties enter into this Clean Air Act Mobile Source Expedited Settlement Agreement (the "Agreement") in order to settle the civil violations discovered as a result of the investigation summarized in Table 1, attached, incorporated into this Agreement by reference. The civil violations that are the subject of this Agreement are described in Table 2, attached, incorporated into the Agreement by reference, regarding the products specified therein.
2. Respondent admits to being subject to the Clean Air Act (CAA) and its associated regulations, and that the United States Environmental Protection Agency (EPA) has jurisdiction over the Respondent and the Respondent's conduct described in Table 2. Respondent does not contest the findings detailed therein and waives any objections Respondent may have to the EPA's jurisdiction.
3. Respondent consents to the payment of a penalty in the amount of \$5,000, further described in Table 3, attached, incorporated into this Agreement by reference. Respondent agrees to follow the instructions in "CAA Mobile Source Expedited Settlement Agreement Instructions," attached, incorporated into this Agreement by reference. Respondent certifies that the required remediation, detailed in Table 3, has been carried out.
4. By its first signature below, the EPA approves the findings resulting from the investigation and the alleged violations set forth in Tables 1 and 2. Upon signing and returning this Agreement to the EPA, Respondent consents to the terms of this Agreement without further notice. Respondent acknowledges this Agreement is binding on the parties signing below and becomes effective on the date of the EPA Region 9 Enforcement and Compliance Division Assistant Director's ratifying signature.

APPROVED BY EPA:



Date: 8-1-2019

Claire Trombadore, Acting Assistant Director, Enforcement and Compliance Assurance Division
EPA Region 9

APPROVED BY RESPONDENT:

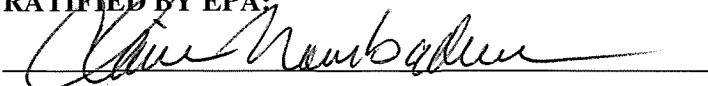
Name (print): MASAKI NAKAYAMA

Title (print): GENERAL MANAGER

Signature: 

Date: 08-12-2019

RATIFIED BY EPA:



Date: 8-19-2019

Claire Trombadore, Acting Assistant Director, Enforcement and Compliance Assurance Division
EPA Region 9

Table 1 - Investigation Information	
Investigation Dates:	Docket Number:
September 26, 2017 (site inspection); August 16, 2018 (information request)	R 9 - C A A - 1 9 - 1 0 1 0
Inspection Location:	Entry/Inspection Number(s)
1449 W. Orange Ave., Suite A	2 0 1 7 0 9 2 6 1 1 3 3 0 1
	Inspector(s) Name(s):
Orange	Rose Galer Andrew Zellinger
	Kingsley Adeduro
State: Zip Code:	EPA Approving Official:
CA 92868	Joel E. Jones
Respondent:	EPA Enforcement Contact(s):
APEX Integration, Inc.	Brian Riedel, Attorney-Adviser, (415) 972-3924 Roshni Brahmhatt, Enforcement Officer, (415) 972-3995

Table 2 - Description of Violations and Vehicles/Engines
The EPA has obtained evidence, through an inspection on September 26, 2017 and request for information sent on August 16, 2018, that APEX Integration, Inc. (APEX) manufactured and sold products which render inoperative emission control systems on EPA-certified motor vehicles. It is a violation of Section 203(a)(3)(B) of the CAA, 42 U.S.C. § 7522(a)(3)(B), to manufacture or sell such products. Between January 1, 2017 and August 16, 2018, the EPA has determined that APEX manufactured and sold 44 exhaust components for gasoline-powered motor vehicles that removed the catalytic converters from those vehicles (commonly referred to as "straight pipes").

Table 3 - Penalty and Required Remediation	
Penalty	\$5,000
Required Remediation	In addition to paying the monetary penalty, APEX must cease and refrain from manufacturing or selling any device that defeats, bypasses, or otherwise renders inoperative an emission component of any vehicle regulated by the EPA.