

**CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
NORTH COAST REGION**

ATTACHMENT A

PENALTY METHODOLOGY

FOR ADMINISTRATIVE CIVIL LIABILITY COMPLAINT NO. R1-2025-0033

FACTORS CONSIDERED IN DEVELOPING RECOMMENDED CIVIL LIABILITY

**IN THE MATTER OF AARON LIEBERMAN, PARADISE VALLEY LLC, NORTHLAND
MANAGEMENT GROUP LLC AND NORTHCOAST INVESTMENT GROUP LLC**

HUMBOLDT COUNTY

ASSESSOR'S PARCEL NUMBERS 220-292-015, 220-292-017 and 220-292-018

This technical analysis provides a summary of factual and analytical evidence that support the findings in Administrative Civil Liability Complaint No. R1-2025-0033 (Complaint) and the recommended assessment of administrative civil liability in the amount of \$55,176. The Complaint alleges that Aaron Lieberman, Paradise Valley LLC, Northland Management Group LLC, Northcoast Investment Group LLC (the Dischargers), failed to implement Required Action No. 1 of the North Coast Regional Water Quality Control Board's (North Coast Water Board's) Cleanup and Abatement and Investigative Order No. R1-2024-0047 (Cleanup and Abatement Order) at the property located in Humboldt County at Assessor's Parcel Numbers (APNs) 220-292-015, 220-292-017, and 220-292-018 (the Property).

SUMMARY OF VIOLATION

The Complaint alleges that the Dischargers violated Water Code section 13267 by failing to submit to the North Coast Water Board a proposed Cleanup, Restoration, and Monitoring Plan (CRMP) for approval by November 8, 2024, as required by Required Action 1 in the Cleanup and Abatement Order (Violation 1). The Dischargers have been in violation of Required Action 1 since the November 8, 2024 deadline. On May 23, 2025, the Prosecution Team prioritized the matter for issuance of an administrative civil liability complaint. The Prosecution Team proposes imposition of administrative civil liability for the days of violation beginning November 9, 2024, through May 23, 2025, the date the Prosecution Team prioritized Violation 1 for this Complaint, for a total of 196 days.

Water Code section 13268, subdivision (b), provides that the North Coast Water Board may impose civil liability administratively in response to violations of section 13267 in an amount of up to one thousand dollars (\$1,000) per day of violation. **As described below, the Prosecution Team recommends administrative civil liability in the**

amount of fifty-five thousand one hundred seventy-six dollars (\$55,176 for this violation.

PENALTY METHODOLOGY

The State Water Resources Control Board's *Water Quality Enforcement Policy*¹ ("Enforcement Policy") establishes a methodology for determining administrative civil liability by addressing the factors that must be considered under Water Code section 13327 and/or 13385, subdivision (e), depending on the violations. As the violation alleged in the Complaint is enforceable under Water Code section 13268, the proposed liability must take into consideration the factors specified in Water Code section 13327, specifically:

"the nature, circumstance, extent, and gravity of the violation or violations, whether the discharge is susceptible to cleanup or abatement, the degree of toxicity of the discharge, and, with respect to the violator, the ability to pay, the effect on ability to continue in business, any voluntary cleanup efforts undertaken, any prior history of violations, the degree of culpability, economic benefit or savings, if any, resulting from the violation, and other matters as justice may require."

Each factor of the Enforcement Policy's ten-step approach is discussed below, along with the basis for assessing the corresponding scores and proposed administrative civil liability amount.

The violation alleged here involves failure to comply with the Water Code section 13267 reporting directive. This is a "non-discharge violation" for purposes of the Enforcement Policy penalty methodology.

Step 1. Actual Harm or Potential for Harm for Discharge Violations

Enforcement Policy Step 1 is only applicable to discharge violations, which are not alleged in the Complaint.

¹ The Prosecution Team applied the 2024 Water Quality Enforcement Policy, which was approved by the Office of Administrative Law and went into effect on November 7, 2024, prior to the violations alleged in the Complaint and discussed herein. A copy of the [2024 Water Quality Enforcement Policy](https://www.waterboards.ca.gov/water_issues/programs/enforcement/docs/2024/2024-enforcement-policy.pdf) can be found at: (https://www.waterboards.ca.gov/water_issues/programs/enforcement/docs/2024/2024-enforcement-policy.pdf).

Step 2. Per Gallon and Per Day Assessments for Discharge

Enforcement Policy Step 2 is only applicable to discharge violations, which are not alleged in the Complaint.

Step 3. Per Day Assessment for Non-Discharge Violations

The Enforcement Policy provides that “[t]he Water Boards shall calculate an initial liability factor for each non-discharge violation, considering Potential for Harm and the extent of deviation from applicable requirements. These violations include, but are not limited to, failure to conduct routine monitoring and reporting, failure to provide required information, and the failure to prepare and implement required plans. While all non-discharge violations harm or undermine the Water Boards’ regulatory programs and compromise the Water Boards’ ability to perform their statutory and regulatory functions, some non-discharge violations have the potential to directly or indirectly impact beneficial uses and should result in more serious consequences.”

To determine the initial liability factor for each violation, the Water Boards use the matrix set forth in Table 3 of the Enforcement Policy to determine a per-day assessment factor for each violation. The matrix considers the potential for harm resulting from the violation, and the deviation from the applicable requirement. Each of these can be “Minor,” “Moderate,” or “Major.”

Potential for Harm:

The Potential for Harm categories are as follows:

- *Minor – The characteristics of the violation have little or no potential to impair the Water Boards’ ability to perform their statutory and regulatory functions, present only a minor threat to beneficial uses, and/or the circumstances of the violation indicate a minor potential for harm.*
- *Moderate – The characteristics of the violation have substantially impaired the Water Boards’ ability to perform their statutory and regulatory functions, present a substantial threat to beneficial uses, and/or the circumstances of the violation indicate a substantial potential for harm. Most non-discharge violations should be considered to present a moderate potential for harm.*
- *Major – The characteristics of the violation have wholly impaired the Water Boards’ ability to perform their statutory or regulatory functions, present a particularly egregious threat to beneficial uses, and/or the circumstances of the violation indicate a very high potential for harm. Non-discharge violations involving failure to comply with directives in cleanup and abatement orders, cease and desist orders, and investigative orders, involving reports relating to*

impaired water bodies and sensitive habitats, should be considered major.
(emphasis added.)

(Enforcement Policy, pages 21-22)

Violation 1: The CRMP required by the Cleanup and Abatement Order is necessary to: (1) assess impacts to waters of the state resulting from the cannabis cultivation and associated activities, the Dischargers' alteration of the bed and bank of watercourses and the discharge and threatened discharge of sediment; (2) determine the appropriate restoration and abatement work to correct those impacts; and (3) create a plan along with an implementation schedule that will guide the scope of work to clean up and abate the discharges and threat of discharges of waste on the Property. By failing to submit a CRMP for approval, the Dischargers wholly impaired the North Coast Water Board's ability to perform its regulatory functions by preventing the Board from authorizing an appropriate cleanup and restoration plan that would adequately guide site remediation and prevent discharges of waste to waters of the state.

Additionally, the impacted waterbodies intended to be addressed through the CRMP are impaired and contain sensitive habitats. The federal Clean Water Act section 303, subdivision (d), impaired waterbodies list identifies both the Mattole River and the South Fork Eel River as impaired due to elevated water temperature and excess sedimentation. The U.S. Environmental Protection Agency established Total Maximum Daily Loads (TMDL) for temperature and sediment for the South Fork Eel River in 1999 and in 2002 for the Mattole River. The TMDLs indicate that the cold freshwater habitat is the most sensitive of beneficial uses in the watershed. As such, protection of this beneficial use is presumed to protect any of the other beneficial uses that might also be harmed by sedimentation. Since this non-discharge violation involves failure to comply with a directive in the Cleanup and Abatement Order to submit a report that identifies cleanup actions relating to an impaired waterbody, the Potential for Harm for Violation 1 is **Major**.

Deviation from Requirement:

The Deviation from Requirement categories are as follows:

- *Minor – The intended effectiveness of the requirement remained generally intact (e.g., while the requirement was not met, its intended effect was not materially compromised).*
- *Moderate – The intended effectiveness of the requirement was partially compromised (e.g., the requirement was not met, and the effectiveness of the requirement was only partially achieved).*

- *Major – The requirement was rendered ineffective (e.g., the requirement was rendered ineffective in its essential functions).*

(Enforcement Policy, page 22)

Violation 1: The deviation from the requirement to submit a proposed CRMP by the deadline contained in the Cleanup and Abatement Order is **Major**. North Coast Water Board staff (Staff) transmitted a letter to the Dischargers on November 13, 2024, notifying them of Violation 1. The Dischargers have made no attempt to submit a proposed CRMP for approval, rendering the requirement ineffective in its essential functions.

Per Day Factors:

Violation 1: Utilizing a Potential for Harm score of **Major** and Deviation from Requirement score of **Major**, Staff selected a Per Day Factor of 0.85 for Violation 1, consistent with Table 3 on page 21 of the Enforcement Policy.

Multiple-Day Violations

The Enforcement Policy advises that “for violations that are assessed a civil liability on a per day basis and do not constitute a single operational upset, the initial liability amount should be assessed for each day up to thirty (30) days. For non-discharge violations that last more than thirty (30) days, the daily penalty assessment can be less than the calculated daily assessment, provided that it is no less than the per day economic benefit, if any, resulting from the violation. For these cases, the Water Board must make express findings that the violation:

- a. Is not causing daily detrimental impacts to the environment and is not causing daily detrimental impacts to the regulatory program;
- b. Results in no discrete economic benefit from the illegal conduct that can be measured on a daily basis; or
- c. Occurred without the knowledge or control of the violator, who therefore did not take action to mitigate or eliminate the violation.

If one of the above findings is made, an alternate approach to penalty calculation for multiple day violations may be used. In these cases, the liability shall not be less than an amount that is calculated based on an assessment of the initial Total Base Liability Amount for the first 30 days of the violation, plus an assessment for each 5-day period of violation until the 60th day, plus an assessment for each 30 days of violation thereafter.” (Enforcement Policy, pages 22-23)

The Complaint alleges that Violation 1 lasted more than 30 days, such that the alternate approach to penalty calculation may be used if one of the express findings is made. Staff determined that Violation 1 did not result in discrete economic benefit from the illegal conduct that can be measured on a daily basis. Therefore, applying the alternative approach to penalty calculation, Staff recommends collapsing the number of days from 196 to 40 for which administrative civil liability shall be assessed as follows:

Violation 1: Full collapsing of days from 196 days to 40 days. The adjusted Initial Liability Amount for Violation 1 becomes **\$34,000** (40 (days) x 0.85 (per day factor) x \$1,000 (statutory maximum per day liability)).

Initial Liability Amount:

The initial liability amount for Violation 1 is ***calculated on a per-day basis as follows:***

Violation 1: Per-Day Liability (40 (days) x 0.85 (per day factor) x \$1,000 (statutory maximum per day liability)) = **\$34,000**

Step 4. Adjustment Factors

Under this step, the initial liability amount is adjusted by factors addressing multiple-day violations and the violator's conduct.

Violator's Conduct:

There are three additional factors to be considered for modification of the amount of initial liability: the violator's culpability, efforts to clean up or cooperate with regulatory authority, and the violator's compliance history.

Culpability:

This factor assesses a violator's degree of culpability prior to the violation. The Enforcement Policy provides that "[h]igher liabilities should result from intentional or negligent violations" as opposed to accidental violations. A multiplier between 0.75 and 1.5 is to be used, with a higher multiplier for intentional misconduct or gross negligence, a lower multiplier for more simple negligence, and a neutral assessment of 1.0 where a discharger is determined to have acted as a reasonable and prudent person would have. (Enforcement Policy, page 24)

Violation 1:

Prior to the North Coast Water Board's issuance of the Cleanup and Abatement Order, the Dischargers failed to complete the needed remediation of the Property while enrolled under the Regional Cannabis Order from March 3, 2016 to June 30, 2019, and while enrolled under the Cannabis General Order from July 1, 2019 to December 15, 2023. During those active enrollments, the Dischargers did facilitate consent inspections

by Staff and did hire consultants to conduct technical assessments, submit plans and propose sediment control measures, though those plans and measures were inadequate to address the site conditions created by the unpermitted grading by the Dischargers and to prevent resulting actual and threatened discharges of sediment to watercourses. In response to the June 17, 2022 Notice of Violation from the North Coast Water Board, on June 20, 2022, the Dischargers did submit an application for a water quality certification for instream remediation work. The application was initially incomplete and following one additional year of compliance assistance by Staff, Staff received the required information to deem the application complete and on June 20, 2023, authorized dredge and fill to remediate thirteen stream crossings on the Property. As of December 4, 2023, the Dischargers also entered into a new LSAA with CDFW for the instream remediation work. However, despite having the required pre-authorization and being notified of the importance to water quality and conformance to regulatory requirements, the Dischargers did not conduct with work the following construction season of 2024. Prior to the issuance of the Cleanup and Abatement Order, the Dischargers engaged with Staff but the Dischargers' efforts to address the site issues were delayed, inadequate for the scope of the site conditions, and significant remediation remained following their termination from the Cannabis General Order.

Due to observed discharges and threats of discharge on the Property, and to ensure the Property was adequately remediated, the North Coast Water Board sent the Dischargers a draft Cleanup and Abatement Order on July 1, 2024, which identified submission of the CRMP by November 8, 2024. Prior to the finalization and issuance of the Cleanup and Abatement Order on September 17, 2024, Staff were in communication with the Dischargers, ensuring they understood the requirements and timelines. Upon receipt of the Cleanup and Abatement Order, a reasonable and prudent person would have made efforts to comply with the requirement to submit a proposed CRMP for approval and communicate these efforts to the North Coast Water Board. However, the Dischargers did not hire a qualified professional to conduct the necessary technical assessments to provide an adequate CRMP, as required by the Cleanup and Abatement Order.

The Dischargers did not seek an extension to the due date of November 8, 2024, for the submission of the CRMP. Upon receipt of the North Coast Water Board's November 13, 2024, NOV for failure to meet the CRMP deadline, the Dischargers did not take measures to come into compliance. Instead, Mr. Lieberman suggested the potential to receive grant funding from CDFW's Cannabis Restoration Grant Program, despite DCC having revoked the cultivation licenses on September 12, 2023, for failure to resolve CDFW and North Coast Water Board violations. Moreover, Mr. Lieberman failed to notify Staff that, as of November 6, 2024, he no longer owned APN 220-292-015, despite it being a requirement of the Cleanup and Abatement Order.

The Dischargers' conduct fell below that of a reasonable and prudent person. The Dischargers failed to submit a CRMP following issuance of the Cleanup and Abatement Order. These actions constitute an intentional violation of Required Action 1; thus, a value of **1.25** is appropriate for this violation.

History of Violations:

The Enforcement Policy advises that "[w]here the discharger has no prior history of violations, this factor should be neutral, or 1.0. Where the discharger has prior violations within the last five years, the Water Boards should use a multiplier of 1.1. Where the discharger has a history of similar or numerous dissimilar violations, the Water Boards should consider adopting a multiplier above 1.1." (Enforcement Policy, page 24)

There are no previous orders assessing administrative civil liability against the Dischargers for previous violations within the last five years. Accordingly, a neutral factor of **1.0** is selected.

Cleanup and Cooperation:

This factor assesses voluntary efforts to clean up and/or to cooperate with regulatory agencies in returning to compliance after the violation. The Enforcement Policy states that the cleanup and cooperation multiplier ranges from 0.75 to 1.5, with a lower multiplier where there is exceptional cleanup and cooperation compared to what can reasonably be expected, and a higher multiplier where there is not. A reasonable and prudent response to a discharge violation or timely response to a North Coast Water Board order should receive a neutral adjustment as it is assumed a reasonable amount of cooperation is the warranted baseline. (Enforcement Policy, page 24)

Violation 1: This violation alleges non-compliance with a reporting requirement and, as such, the relevant considerations for this factor are the Dischargers' cooperation with North Coast Water Board Staff and the actions, if any, taken by the Dischargers to submit the past-due cleanup plan after the deadline in the Cleanup Order had passed. Staff has not yet received a CRMP from the Dischargers, as required under Required Action No. 1 of the Cleanup and Abatement Order. After the deadline for this requirement passed, Staff transmitted a Notice of Violation for Required Action No. 1 to the Dischargers on November 13, 2024, by email and USPS certified mail. On November 22, 2024, Mr. Lieberman responded, confirming receipt of the Notice of Violation, but failed to notify Staff of change of ownership of APN 220-292-015 on November 6, 2024, as required by the Cleanup and Abatement Order. The Dischargers have not submitted an adequate CRMP to guide remediation work and as a result, cleanup implementation work has been delayed. The Dischargers did not hire a qualified professional to develop a cleanup plan and they failed to submit any plans addressing the significant remediation concerns described in the Cleanup and

Abatement Order. Mr. Lieberman has continued to respond to communications from Staff. Based on the Dischargers' engagement with Staff, but reflective of their failure to resolve the violation and submit the past due CRMP, a factor of **1.25** for has been assessed for Violation 1.

Step 5. Determination of Total Base Liability Amount

The Total Base Liability is determined by adding the amounts above for each violation, including any adjustment for multiple day violations. Depending on the statute controlling the liability assessment for a violation, the liability can be assessed as either a per day penalty, a per gallon penalty, or both.

The Total Base Liability amount for Violation 1 is calculated on a per-day basis as follows:

Violation 1: \$34,000 (Initial Liability after collapsing days) x 1.25 (Culpability Factor) x 1.0 (History of Violations Factor) x 1.25 (Cleanup and Cooperation Factor) = \$53,125

Total Base Liability Amount: \$53,125

Step 6. Economic Benefit

The Enforcement Policy requires that the adjusted Total Base Liability Amount be at least 10 percent higher than any economic benefit realized by the Dischargers.

As described in the Cleanup and Abatement Order, for **Violation 1**, the cost of preparing a CRMP (i.e., field inspection and report preparation) is comparable to the cost of preparing a combined Site Management Plan and a Disturbed Area Stabilization Plan and is based on the costs presented in the State Water Resources Control Board, October 2017, *Direct Cost Analysis for the Proposed Cannabis Cultivation Policy* (2017 Direct Cost Analysis)², which is estimated to cost between \$3,660 and \$11,720.

Using the EPA BEN model, Staff determined the economic benefit from delayed expenditures associated with Violation 1. Staff identified the midpoint in the estimated range of plan costs to be \$7,690. After similarly considering inflation between October 2017 and November 2024, Staff calculated the cost of submitting a CRMP to be \$7,486 using the U.S. Bureau of Labor Statistics' CPI Inflation Calculator. While running the EPA BEN model, Staff entered this amount as a one-time non-depreciable expenditure,

² [The 2017 Direct Cost Analysis](https://www.waterboards.ca.gov/water_issues/programs/cannabis/docs/policy/20171017_cannabis_cultivation_policy_cost_analysis.pdf) is available at:
(https://www.waterboards.ca.gov/water_issues/programs/cannabis/docs/policy/20171017_cannabis_cultivation_policy_cost_analysis.pdf)

\$0 in capital investment, and \$0 in annual recurring costs with a noncompliance date of the November 8, 2024 deadline, and an estimated compliance date of December 19, 2025, two weeks after the anticipated hearing date. Staff identified the Dischargers tax status as a for-profit other than C-Corporation and a penalty payment date of January 5, 2026, one month after the hearing date.

The resulting economic benefit from delaying the plan expenditure is \$790. In this instance, the economic benefit plus ten percent for Violation 1 is calculated to be \$869 (\$790 + \$79), which the Total Base Liability Amount for this violation exceeds.

Step 7. Other Factors as Justice May Require

The Enforcement Policy states that “[i]f the Water Board believes that the amount determined using the above factors is inappropriate, the amount may be adjusted under the provision for ‘other factors as justice may require,’ but only if express findings are made to justify this adjustment.” The North Coast Water Board may exercise its discretion to include some of the costs of investigation and enforcement in the total administrative civil liability. (Enforcement Policy, page 27)

Staff Costs

The North Coast Water Board incurred \$6,680 in staff costs associated with this enforcement action. The total staff time needed to investigate the alleged violation and prepare the Complaint was fifty (50) hours. Staff labor included the work of a Water Resource Control Engineer, Supervising Environmental Scientist, Supervising Water Resources Control Engineer, and Assistant Executive Officer. Specifically, development of this enforcement action necessitated four (4) hours of labor from a Water Resources Control Engineer and Supervising Environmental Scientist to investigate the violation and issue a notice of violation to the Dischargers for the failure to comply with the Cleanup and Abatement Order; thirty-two (32) hours for a Water Resources Control Engineer, Supervising Environmental Scientist, and Supervising Water Resources Control Engineer to prioritize the violation for enforcement and draft the Complaint; and five (5) hours for a Supervising Water Resources Control Engineer and Assistant Executive Officer to review, edit, and issue this Complaint.

The Prosecution Team proposes to recuparate only the staff costs associated with the labor related to the executive-level review and issuance of the Complaint. This amounts to \$2,051 for the five (5) hours the North Coast Water Board’s Assistant Executive Officer and Supervising Water Resources Control Engineer needed to review, edit, and issue this Complaint. The Prosecution Team’s reasoning to seek only the staff costs associated with management level review and issuance of the Complaint is to allow the Dischargers to use funds that could otherwise be included in the proposed penalty to comply with the requirements of the Cleanup and Abatement Order which is still in effect.

Step 8. Ability to Pay and Continue in Business

The Enforcement Policy provides that “[i]f the Water Boards have sufficient financial information necessary to assess the violator’s ability to pay the Total Base Liability Amount or to assess the effect of the Total Base Liability Amount on the violator’s ability to continue in business, the Total Base Liability Amount may be adjusted to address the ability to pay or to continue in business. The ability of a discharger to pay is determined by its income (revenues minus expenses) and net worth (assets minus liabilities).” (Enforcement Policy, pages 28-29)

Digital Map Products’ Lightbox Vision online service records show that on November 6, 2024, APN 220-292-015 transferred from Northland Management Group LLC to Reprop Investments Inc. Reprop Investments Inc sold the parcel to John Pegram on May 27, 2025. Northcoast Investment Group LLC owns APN 220-292-017 and 220-292-018, with assessed value of \$159,938 and \$1,000, respectively. Property transaction records indicate that APN 220-292-017 and 220-292-018 were purchased in 2012 for \$390,000.

Staff does not have information about the Dischargers’ revenues or liabilities that would further inform their ability to pay. Based on the information available, Staff proposes no adjustment to the Total Base Liability Amount.

Step 9. Maximum and Minimum Liability Amounts

The Enforcement Policy requires the North Coast Water Board to consider the maximum and minimum liability amounts that may be assessed for each violation. For all violations, the applicable statute sets a maximum liability amount. For some violations, the statute also establishes a minimum liability amount. The maximum and minimum liability amounts for each violation must be determined for comparison to the liability amounts proposed.

Maximum Liability Amount

Pursuant to Water Code section 13268, subdivision (b)(1), civil liability may be administratively imposed by the North Coast Water Board in an amount that shall not exceed one thousand dollars (\$1,000) for each day in which the violation occurs.

Violation 1: The Complaint alleges the Dischargers have been in violation of the Cleanup and Abatement Order Required Action 1 to submit a CRMP since the November 8, 2024 deadline. As noted in the Complaint, and discussed in the Summary of Violations section above, the Prosecution Team proposes an end date of May 23, 2025, for assessing liability, which reflects the date the Complaint was prioritized by the Prosecution Team. Accordingly, the statutory maximum liability amount that can be imposed for this violation is \$196,000. The Total Base Liability Amount of \$53,125 for Violation 1 is less than the statutory maximum liability amount.

Minimum Liability Amount

Water Code section 13268 does not impose a minimum liability amount; however, the Enforcement Policy requires the North Coast Water Board to recover, at a minimum, the economic benefit derived from this violation plus ten percent.

Violation 1: As previously stated, Staff calculated the economic benefit of Violation 1 to be \$790. Therefore, the minimum liability that can be imposed is \$790 plus ten percent (\$79) totaling \$869. The Total Base Liability Amount of \$53,125 for Violation 1 exceeds the minimum liability amount required under the Enforcement Policy.

Step 10. Final Liability Amount:

The final liability amount consists of the added amounts for each violation, with any allowed adjustments, provided the amounts are within the statutory minimum and maximum amounts.

Violation 1: After full collapsing of days from 196 days to 40 days, the Total Base Liability Amount for Violation 1 is calculated as 40 (days) x 0.85 (per day factor) x \$1,000 (statutory maximum per day liability) x 1.25 (Culpability Factor) x 1.0 (History of Violations Factor) x 1.25 (Cleanup and Cooperation Factor) = \$53,125 + Staff Costs of \$2,051.

The Final Liability Amount is calculated to be Fifty-five thousand one hundred seventy-six dollars (\$55,176).