

1 LAW OFFICES OF MARK B. GILMARTIN  
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8 Attorney for Petitioners  
9 ZARE SARKISSIAN AND  
10 SIRVARTE SARKISSIAN

11 STATE OF CALIFORNIA

12 STATE WATER RESOURCES CONTROL BOARD

13 In the Matter of the Petition of

14 ZARE SARKISSIAN and SIRVARTE  
15 SARKISSIAN

16 Petitioners,

17 For Review of California Regional Water  
18 Quality Control Board, Los Angeles Region,  
19 Cleanup and Abatement Order No. R4-2011-  
20 0183 Requiring 1157 Echo Park, Inc.; Milton  
21 Chortkoff; Burt Chortkoff; Echo Complex, Inc;  
22 Kyung Jae Yi; Song Suk Yi; Valetor, Inc;  
23 Fatehali Amersi; Zare Sarkissian; Sirvarte  
24 Sarkissian; Digma Guzman; and Jose Huerta; to  
25 Assess, Cleanup and Abate Waste Discharged  
26 to the Waters of the State (Pursuant to Water  
27 Code Section 13304) at Hollyway Cleaners,  
28 1157 Echo Park Avenue, Los Angeles,  
California 90026 (Site Cleanup File No. 0075  
and Site ID No. 2048E00).

**PETITION FOR REVIEW AND  
RESCISSION OF REGIONAL BOARD  
ACTION AND REQUEST FOR STAY**

29 Pursuant to Water Code § 13320 and Title 23, California Code of Regulations, Sections  
30 2050-2068, Zare Sarkissian and Sirvarte Sarkissian ("Petitioners") petition the State Water  
31 Resources Control Board ("State Board") to stay, review and rescind the final decision of the  
32 Regional Water Quality Control Board, Los Angeles Region ("Regional Board") naming Petitioners

1 as Responsible Parties ("RPs") in Cleanup and Abatement Order No. R4-2011-0183 ("CAO") with  
2 regard to Hollyway Cleaners, 1157 Echo Park Avenue, Los Angeles, CA 90026 ("Site").

3 **I. NAME AND ADDRESS OF PETITIONERS**

4 Zare Sarkissian  
5 Sirvarte Sarkissian  
6 12115 Riverside Drive  
7 Valley Village, CA 91607-3832  
8 Telephone: 818-508-0808

9 **II. THE SPECIFIC ACTION OR INACTION OF THE REGIONAL BOARD**

10 Petitioners seek a stay, review and rescission of the Regional Board decision naming  
11 Petitioners as RPs in the CAO. A copy of the CAO is attached hereto as Exhibit "1."

12 **III. THE DATE ON WHICH THE REGIONAL BOARD ACTED**

13 The Regional Board issued the CAO on December 21, 2011.

14 **IV. STATEMENT OF REASONS WHY THE REGIONAL BOARD'S ACTION WAS  
15 INAPPROPRIATE**

16 First, the CAO inappropriately finds that Petitioners are "dischargers" under Water Code §  
17 13304 based solely on their operation of a dry cleaning business at the Site from 1997 to 2007.

18 Second, liability under Water Code § 13304 should not be imposed upon an operator of a  
19 business at a property on which a discharge of waste has occurred without evidence that the  
20 operator caused or contributed to the discharge.

21 Third, imposition of liability under Water Code § 13304 upon all persons who may operate a  
22 business on a property impacted with volatile organic compounds ("VOCs") would have a severe  
23 chilling effect on property usage.

24 **V. HOW THE PETITIONERS ARE AGGRIEVED**

25 The CAO directs Petitioners to prepare and submit a Site Conceptual Model ("SCM") which  
26 provides details on and illustrates contaminant release scenarios, geology and hydrogeology,  
27 contaminant fate and transport in soil, soil gas and groundwater, distribution of contaminants,  
28 exposure pathways, sensitive receptors and other relevant information. The SCM must include a  
comprehensive human health risk assessment and, if applicable, an ecological risk assessment  
considering all contaminants in the soil matrix, soil gas and groundwater, all exposure pathways and

1 sensitive receptors and applying existing regulatory human health and ecological screening levels  
2 and/ or acceptable risk assessment models. The SCM is due by June 12, 2012.

3 The CAO directs Petitioners to prepare and submit a work plan for completing delineation  
4 of the extent of VOCs in the soil matrix, soil vapor and groundwater. The CAO states that iterative  
5 additional site assessment work plans and associated reports may be needed if near-term assessment  
6 work does not accomplish full assessment and delineation of the soil and groundwater  
7 contamination.

8 The CAO directs Petitioners to develop and submit a Remedial Action Plan ("RAP") for  
9 soil, soil gas and groundwater remediation abating the effects of the waste released to the  
10 environment. The CAO states that additional RAPs may be needed if the implemented remediation  
11 measure does not achieve all Site clean up goals.

12 The CAO directs Petitioners to prepare and submit Remediation Progress Reports for the  
13 remediation system implemented.

14 The CAO directs Petitioners to conduct quarterly groundwater monitoring. The next  
15 groundwater monitoring report is due on April 15, 2012.

16 There will be substantial harm to Petitioners if a stay is not granted. There will not be any  
17 substantial harm to other interested persons or to the public interest if a stay is granted. There are  
18 substantial questions of fact or law regarding the disputed action. Declaration of Mark B.  
19 Gilmartin.

## 20 VI. STATE BOARD ACTION REQUESTED BY PETITIONERS

21 Petitioners request the State Board to rescind the CAO as to Petitioners. Petitioners further  
22 request the State Board to stay the CAO directives as they apply to Petitioners pending adjudication  
23 of this Petition.

## 24 VII. STATEMENT OF POINTS AND AUTHORITIES

### 25 A. Summary of Environmental Assessment Activities.

26 In March 1988, three soil borings (SB-1, SB-2 and SB-3) were drilled at the Site to a depth  
27 of twenty (20) feet below ground surface ("bgs"). Analytical testing detected perchlorethylene  
28 ("PCE") at a maximum concentration of 10,000 micrograms per kilogram (ug/Kg) in soil samples

1 and 36,000 micrograms per liter (ug/L) in a groundwater sample. Other VOCs such as  
2 trichloroethylene (TCE), cis-1,2 dichloroethene (cis-1,2-DCE) and 1,1-dichloroethene (1,1-DCE)  
3 were also detected in soil and groundwater samples.

4 From June to December 1988, seven (7) soil borings (B-1 through B-7) were drilled. Five  
5 groundwater monitoring wells (MW-1 through MW-5) were installed. The highest concentration of  
6 PCE in the soil (3,000 ug/Kg at 15 feet bgs) was detected near the dry cleaning machine.

7 On December 6, 1988, five (5) groundwater samples were collected. The depth to  
8 groundwater ranged from 12.95 to 14.66 feet bgs. The highest concentrations of PCE were detected  
9 in off-site, downgradient monitoring wells MW-3 (4,100 ug/L), MW-4 (5,900 ug/L) and MW-5  
10 (4,400 ug/L).

11 In January 1990, a soil gas survey was conducted. The soil gas survey consisted of soil  
12 vapor sampling from depths ranging from 2 feet to 2.5 feet bgs at twenty-five (25) locations  
13 southwest of the dry cleaning unit. PCE was detected at a maximum concentration of 23,000 ug/L.  
14 Other VOCs such as TCE and 1, 1-DCE were also detected.

15 In March 1990, five (5) additional groundwater monitoring wells (MW-6 through MW-10)  
16 were installed. PCE was detected in MW-7, MW-8 and MW-9, located furthest down gradient of  
17 the Site, at concentrations of 1,500 ug/L, 160 ug/L and 26 ug/L, respectively. Groundwater  
18 monitoring was not conducted from April 1990 through August 1998.

19 Groundwater monitoring was conducted in September 1998. The concentrations of PCE in  
20 monitoring wells MW-1, MW-3, MW-4, MW-5, MW-7 and MW-8 were all lower than the  
21 detections in 1990. Groundwater monitoring was conducted in January 1999, September 1999 and  
22 March 2000. The concentrations of PCE detected in the downgradient monitoring wells closest to  
23 the Site were similar to historic detections.

24 In March 2009, groundwater monitoring was conducted. The concentrations of PCE are  
25 similar to historic detections.

26 **B. Regional Board Enforcement Activity**

27 On May 27, 2008, the Regional Board issued a Requirement for a Technical Report to Site  
28

1 owner Kyung Jae Yi pursuant to Water Code § 13304.<sup>1</sup> At a meeting on June 6, 2008, Mr. Yi,  
2 requested that the Regional Board delay implementation of the requirements set forth in the 13304  
3 Order letter for two years due to Mr. Yi's inability to pay for costs of work. On June 13, 2008, the  
4 Regional Board directed Mr. Yi to submit a Small Business Data Request and the Standard Ability  
5 to Pay Financial Data Request Form together with specified financial information.

6 On July 15, 2008, Environmental Resolutions, Inc. ("ERI"), on behalf of Mr. Yi, requested  
7 an extension of time to submit a technical report. On January 21, 2009, the Regional Board issued a  
8 letter to Mr. Yi agreeing to delay the obligation for submission of a remedial action plan, but  
9 requiring resumption of quarterly groundwater monitoring, performance of a multi-depth soil gas  
10 survey and indoor air sampling.

11 On March 12, 2009, ERI issued a Work Plan for Multi-Depth Soil Gas Survey and Indoor  
12 Air Quality Assessment. On April 10, 2009, the Regional Board issued a conditional approval of  
13 the Work Plan. On May 18, 2009, ERI requested an extension of time for implementation of the  
14 Work Plan. On June 1, 2009, the Regional Board granted an extension to July 10, 2009.

15 On June 2, 2009, a meeting was held at the Regional Board. Mr. Yi indicated he was unable  
16 to pay the costs to implement the Work Plan. On June 25, 2009, the Regional Board issued a letter  
17 requesting additional financial information and modifying the scope of work and deadlines for  
18 implementing the Work Plan.

19 On September 2, 2009, Mr. Yi issued a letter to the Regional Board requesting an extension  
20 of time to perform environmental corrective action at the Site. By letter dated October 13, 2009, the  
21 Regional Board granted the request.

22 On December 17, 2009, a meeting was held at the Regional Board to discuss future work. It  
23 was decided at the meeting that Mr. Milton Chortkoff, former owner of the Site, would be named as  
24 a co-discharger.

25 On January 25, 2010, the Regional Board issued a letter to Mr. Yi and Mr. Chortkoff setting

26 <sup>1</sup> Site owner Kyung Jae Yi, who acquired title to the Site in or about October 5, 2000,  
27 subsequently conveyed title to a corporation (Echo Complex Inc.) on October 18, 2000. Exhibit  
28 "2."

1 new dates for performance of environmental corrective action.

2 On February 4, 2010, a Work Plan for Bench Scale Test of Bioremedial Alternatives was  
3 submitted to the Regional Board.

4 On February 25, 2010, a conference call was held with representatives of the Regional  
5 Board, Mr. Yi and Mr. Chortkoff to discuss remedial alternatives for the Site.

6 On May 4, 2010, counsel for Mr. Chortkoff issued a letter to the Regional Board indicating  
7 that Mr. Chortkoff was unwilling to assume liability for PCE contamination at the Site.

8 On June 21, 2010, the Regional Board issued a Notice of Violation to Mr. Yi and Mr.  
9 Chortkoff for failure to submit a technical report in violation of Water Code § 13267.

10 On July 1, 2010, the Regional Board issued a letter to Mr. Chortkoff finding that Mr.  
11 Chortkoff is a RP under Water Code § 13304 on the ground that he permitted waste to be  
12 discharged to the soil and groundwater at the Site prior to his sale of the Site in 2000.

13 On May 11, 2011, the Regional Board issued a letter indicating its intention to issue the  
14 CAO to all past and present owners and operators of the Site and inviting the submission of  
15 comments by June 24, 2011.

16 **C. History of Operations**

17 The CAO indicates that Hollyway Cleaners and Laundry commenced operation more than  
18 seventy years ago in 1941. On May 10, 1983, the South Coast Air Quality Management District  
19 ("SCAQMD") issued a Permit to Operate a Detrex Model 15-10H dry cleaning unit. A copy of the  
20 permit is attached as Exhibit "3."

21 In August 1997, Petitioners applied to the SCAQMD for a change of ownership. In 2002,  
22 Petitioners replaced the existing dry cleaning equipment with a Lindus Model ML 45 dry cleaning  
23 unit. Exhibit "4." In 2007, Petitioners discontinued operation of a dry cleaning business at the Site.

24 **D. The PCE Contamination Pre-Existed Dry Cleaning Operations by Petitioners**

25 As indicated above, VOCs were discovered at the Site in 1988, nine (9) years before  
26 Petitioners commenced operation of a dry cleaning business. There is no evidence that PCE was  
27 spilled, released or discharged during dry cleaning operations conducted by Petitioners from 1997  
28 to 2007.

1           **E.     Legal Standard**

2           Water Code § 13304(a) authorizes cleanup and abatement orders against a person who has  
3           “discharged or discharges waste” or who has “caused or permitted, causes or permits, or threatens to  
4           cause or permit any waste to be discharged or deposited where it is, or probably will be, discharged  
5           into the waters of the state.”

6           The extent of liability under Water Code § 13304 is not unlimited. Historically, the State  
7           Board has held that Water Code § 13304 imposes liability for cleanup upon those parties who either  
8           caused the discharge or controlled the premises where and at the time the discharge occurred. See,  
9           e.g., *In re Exxon Company, U.S.A.* (Order No. WQ 85-7, August 22, 1985) (oil company and  
10          gasoline distributor not properly named where there was no reasonable evidence they owned  
11          gasoline tanks that leaked); *In re Spitzer* (Order No. WQ 89-8, May 16, 1989) (landowners who  
12          know of discharge on their property and have sufficient control of the property to correct it are  
13          subject to a cleanup order); *In re County of San Diego* (Order No. WQ 96-2, Feb. 22, 1996)  
14          (Regional Water Quality Control Board, San Diego Region properly deemed a city as a discharger  
15          because the city had an easement over and authority to control a street that overlay part of a landfill,  
16          and subsidence of landfill material beneath the roadway was contributing to runoff coming from the  
17          street to the landfill surface, which in turn was adversely affecting water quality beneath the site).

18          While it is clear that liability may be imposed on a person whose action is the direct cause of  
19          a waste discharge, the liability of others is less certain. Notwithstanding that liability under Water  
20          Code § 13304 may be imposed on the owner of a property at the time of a discharge or on a  
21          successor owner of a property on which a nuisance exists, it is unreasonable to extend such liability  
22          to those who later operate a business on said property and did not cause or contribute to the  
23          pollution condition. Imposing liability upon a party who operates a business on a previously  
24          contaminated property would have a chilling effect upon property usage.

25          The reach of Water Code section 13304(a) was construed by a California Court of Appeal in  
26          *City of Modesto Redevelopment Agency v. The Dow Chemical Company* (2004) 119 Cal.App.4<sup>th</sup> 28.  
27          The court noted that the statute imposes liability on anyone who causes or permits a discharge or  
28          deposit of wastes; however, it does not indicate whether “cause” refers to a party who was directly

1 involved with a discharge, to anyone whose actions were a substantial factor in causing the  
2 discharge, or even to anyone who places a hazardous substance into the chain of commerce. *Id.* at  
3 37-38. The court indicated the statute must be construed in the context of California nuisance law.  
4 *Id.* at 38. The court stated that while liability for nuisance is broad, it is not unlimited. *Id.* at 39.  
5 The court rejected defendant PCE and dry cleaning equipment manufacturers' contention that  
6 liability should be limited to "those who have the ability to control waste disposal activities." *Id.* at  
7 41. The court held that "[t]hose who took affirmative steps directed toward the improper discharge  
8 of solvent wastes—for instance, by manufacturing a system designed to dispose of wastes  
9 improperly or by instructing users of its products to dispose of wastes improperly—may be liable  
10 under that statute ..." *Id.* at 43.

11 In this matter, dry cleaning operations have been conducted at the Site since 1941. The dry  
12 cleaning business was operated by Shirlee Smith from 1941 to 1946. The dry cleaning business  
13 was operated by Carl Chortkoff and Milton Chortkoff from 1946 to 1985. The dry cleaning  
14 business was operated by Valetor, Inc. from 1985 to 1997. The Site was owned by Milton  
15 Chortkoff and Burton Chortkoff, or a corporation owned or controlled by them, from 1969 to  
16 October 1990. Ownership was conveyed by 1157 Echo Park, Inc., a corporation owned by Milton  
17 Chortkoff and Burton Chortkoff, to Kyung Jae Yi and Song Suk Yi, husband and wife, on October  
18 5, 2000. A Deed of Trust was recorded in favor of 1157 Echo Park, Inc. At the time PCE was  
19 discovered to be present in soil and groundwater in 1988, the Site was owned by Milton Chortkoff  
20 and Burton Chortkoff or 1157 Echo Park, Inc. and operated by Valetor, Inc.

21 The CAO acknowledges that VOCs, particularly PCE, were discovered in soil and  
22 groundwater in March 1988, nine years prior to the date on which Petitioners commenced operation  
23 of a dry cleaning business. The CAO states that "Petitioners apparently used PCE for the dry  
24 cleaning operation." The CAO indicates that "[b]ased on the soil and groundwater data collected  
25 from the site, it is difficult to prove or rule out that any new spill or release of PCE occurred  
26 between 1997 and 2007." CAO Responsiveness Summary page 2 of 3. This statement suggests  
27 that liability against Petitioners is predicated solely upon the possibility that a release of PCE  
28 occurred during operations by Petitioners. The CAO further states that the Regional Board named



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DATED: January 20, 2012

LAW OFFICES OF MARK B. GILMARTIN

By: Mark B. Gilmartin  
Mark B. Gilmartin  
Attorney for Petitioners  
Zare Sarkissian and  
Sirvarte Sarkissian

**DECLARATION OF MARK B. GILMARTIN**

I, Mark B. Gilmartin, declare and state as follows:

1. I am an attorney licensed to practice law in the State of California. I am counsel for Petitioners Zare Sarkissian and Sirvarte Sarkissian ("Petitioners"). I make this declaration in support of Petitioners' request for stay of the Regional Water Quality Control Board, Los Angeles Region ("Regional Board") decision naming Petitioners as Responsible Parties ("RPs") in Cleanup and Abatement Order No. R4-2011-0183 ("CAO") with regard to Hollyway Cleaners, 1157 Echo Park Avenue, Los Angeles, CA 90026 ("Site").

2. The facts set forth herein are personally known to me. If called as a witness, I could and would testify thereto under oath.

3. There will be substantial harm to Petitioners if a stay is not granted. As indicated in the Petition for Review, the CAO requires performance of a substantial amount of corrective action work in the near term. Petitioners are husband and wife nearing retirement age with modest income. Petitioners cannot afford to pay the cost of the required work. If the Petition for Review is granted in favor of Petitioners, Petitioners would have to commence a lawsuit to recover costs from the responsible parties.

4. There will not be any substantial harm to other interested persons or to the public interest if a stay is granted. The Regional Board has named those persons who owned and/or operated the Site at the time PCE was discovered in 1988. Those parties have heretofore performed environmental corrective action activities at the Site. The work required in the CAO can be performed by the previously named RPs until such time as Petitioners' Petition for Review is adjudicated.

5. There are substantial questions of fact or law regarding the disputed action. As indicated in the Petition for Review, there is not any evidence that Petitioners caused or contributed to the pollution condition on the subject Site. Water Code § 13304 does not authorize a Regional Board to issue a cleanup and abatement order to a party on the sole basis that the party operated a dry cleaning business on a property where a discharge of waste previously occurred. Such an interpretation of Water Code § 13304 would have a substantial chilling effect on the free use of

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property.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed this 20<sup>th</sup> day of January, 2012, at Santa Monica, California.

By   
MARK B. GILMARTIN

# EXHIBIT 1



**California Regional Water Quality Control Board  
Los Angeles Region**



Matthew Rodriguez  
Secretary for  
Environmental Protection

320 West Fourth Street, Suite 200, Los Angeles, California 90013  
(213) 576-6600 • FAX (213) 576-6640  
<http://www.waterboards.ca.gov/losangeles>

Edmund G. Brown Jr.  
Governor

December 21, 2011

Mr. Milton Chortkoff  
Mr. Burt Chortkoff  
1157 Echo Park, Inc.  
4021 W Alameda Street  
Burbank, CA 91505

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED  
7010 0290 0002 1866 0222

Mr. Kyung Jae Yi  
Ms. Song Suk Yi  
Echo Complex, Inc.  
1600 Sunset Boulevard  
Los Angeles, CA 90026

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED  
7010 0290 0002 1866 0215

Mr. Fatehali Amersi  
Valetor, Inc.  
8359 Santa Monica Boulevard  
Los Angeles, CA 90069

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED  
7010 0290 0002 1866 0192

Mr. Zare Sarkissian  
Ms. Sirvarte Sarkissian  
16932 Lassen Street  
Northridge, CA 91343

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED  
7010 0290 0002 1866 0208

Mr. Jose Huerta  
Ms. Digna Guzman  
5526 La Mirada Avenue  
Los Angeles, CA 90038

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED  
7010 0290 0002 1866 0239

**SUBJECT: CLEANUP AND ABATEMENT ORDER NO. R4-2011-0183**

**SITE/CASE FILE: HOLLYWAY CLEANERS, 1157 ECHO PARK AVENUE, LOS ANGELES, CALIFORNIA (SITE CLEANUP NO. 0075, SITE ID NO. 2048E00)**

The California Regional Water Quality Control Board, Los Angeles Region (Regional Board) is the public agency with primary responsibility for the protection of ground and surface water quality for all beneficial uses within major portions of Los Angeles County and Ventura County, including the above-referenced site.

Enclosed is Cleanup and Abatement Order No. R4-2011-0183 (CAO), directing you to assess, monitor, cleanup, and abate the effects of contaminants discharged to the soil and groundwater at 1157 Echo Park

Mr. Milton Chortkoff, *et al*  
Hollyway Cleaners

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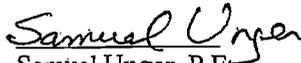
December 21, 2011

Avenue, Los Angeles, California. This Order is issued under section 13304 of the California Water Code. Should the Dischargers fail to comply with any provision of this Order, it may be subject to further enforcement action, including injunction and civil monetary remedies, pursuant to applicable California Water Code sections including, but not limited to, sections 13304, 13308, and 13350.

A draft of this CAO was provided to you on May 11, 2011, inviting comments. Mr. Milton Chortkoff, Mr. Burt Chortkoff and 1157 Echo Park, Inc., Mr. Kyung Jae Yi, Ms. Song Suk Yi and Echo Complex, Inc., Mr. Fatehali Amersi and Valetor, Inc. and Mr. Zare Sarkissian and Ms. Sirvarte Sarkissian provided comments on the draft CAO through their respective attorneys. The attached document, titled *Responsiveness Summary - Draft Cleanup and Abatement Order R4-2011-XXXX*, summarizes your comments and how we addressed them in the attached CAO.

If you have any questions regarding this letter, please contact Mr. Bizuayehu Ayele at (213) 576-6623 or by email at [bayele@waterboards.ca.gov](mailto:bayele@waterboards.ca.gov) or Mr. Jeffrey Hu at (213) 576-6736 or by email at [ghu@waterboards.ca.gov](mailto:ghu@waterboards.ca.gov).

Sincerely,

  
Samuel Unger, P.E.  
Executive Officer

Enclosure: a) Cleanup and Abatement Order No. R4-2011-0183  
b) Responsiveness Summary - Draft Cleanup and Abatement Order R4-2011-XXXX

cc: Mr. Daniel Whang, Attorney-At-Law  
Mr. Stewart Hsieh, Frye & Hsieh, LLP  
Mr. Mark Gilmartin, Attorney-At-Law  
Mr. William Harris, Harris & Kaufman  
Mr. Stephen Henshaw, Environmental Forensics Investigation, Inc.  
Mr. John Bird, Environmental Forensics Investigation, Inc.  
Mr. David Brickman, Echo Complex, Inc.  
Mr. Charlie Yu, Watershed Protection Division, City of Los Angeles  
Ms. Sofia Mohaghegh, Watershed Protection Division, City of Los Angeles

*California Environmental Protection Agency*

STATE OF CALIFORNIA  
CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD  
LOS ANGELES REGION

CLEANUP AND ABATEMENT ORDER NO. R4-2011-0183  
REQUIRING

1157 ECHO PARK, INC.;  
MILTON CHORTKOFF;  
BURT CHORTKOFF;  
ECHO COMPLEX, INC.;  
KYUNG JAE YI;  
SONG SUK YI;  
VALETOR, INC.;  
FATEHALI AMERSI;  
ZARE SARKISSIAN;  
SIRVARTE SARKISSIAN;  
DIGNA GUZMAN; AND  
JOSE HUERTA

TO ASSESS, CLEANUP, AND ABATE  
WASTE DISCHARGED TO WATERS OF THE STATE  
(PURSUANT TO CALIFORNIA WATER CODE SECTION 13304<sup>1</sup>)  
AT HOLLYWAY CLEANERS  
1157 ECHO PARK AVENUE, LOS ANGELES, CALIFORNIA 90026  
(SITE CLEANUP FILE NO. 0075 AND SITE ID NO. 2048E00)

*You are legally obligated to respond to this Order. Please read this carefully.*

The California Regional Water Quality Control Board, Los Angeles Region (Regional Board) finds that:

**BACKGROUND**

1. **Dischargers:** 1157 Echo Park, Inc.; Milton Chortkoff; Burt Chortkoff; Echo Complex, Inc.; Kyung Jae Yi; Song Suk Yi; Valetor, Inc; Fatehali Amersi; Zare Sarkissian; Sirvarte Sarkissian; Digna Guzman; and Jose Huerta (hereinafter collectively called Dischargers) are Responsible Parties (RPs) due to their: (a) current or past ownership of the property located at 1157 Echo Park Avenue, Los Angeles, California (Site), and/or (b) current or prior operation of a dry cleaning business at Hollyway Cleaners (Site) that resulted in the release of volatile organic compounds (VOCs), particularly perchloroethylene (PCE), to the environment.

---

<sup>1</sup> 13304 (a): Any person who has discharged or discharges waste into the waters of this state in violation of any waste discharge requirement or other order or prohibition issued by a regional board or the state board, or who has caused or permitted, causes or permits, or threatens to cause or permit any waste to be discharged or deposited where it is, or probably will be, discharged into the waters of the state and creates, or threatens to create, a condition of pollution or nuisance, shall upon order of the regional board, clean up the waste or abate the effects of the waste, or, in the case of threatened pollution or nuisance, take other necessary remedial action, including, but not limited to, overseeing cleanup and abatement efforts.

Specifically, the following Dischargers are named as Responsible Parties due to their current or past dry cleaning operations at Hollyway Cleaners, involving the use of PCE at the Site that resulted in the release of the chemical to the soil and groundwater beneath the Site and its vicinity:

- Valetor, Inc.
- Fatehali Amersi
- Zare Sarkissian
- Sirvarte Sarkissian
- Digna Guzman
- Jose Huerta

The following Dischargers are named as Responsible Parties due to their current or past ownership of the Site during the period when Hollyway Cleaners has been operating (from at least 1946 to the present):

- 1157 Echo Park, Inc.
- Milton Chortkoff
- Burt Chortkoff
- Echo Complex, Inc.
- Kyung Jae Yi
- Song Suk Yi

The Dischargers have caused or permitted waste to be discharged or deposited where it is, or probably will be discharged into the waters of the State which creates a condition of pollution or nuisance.

2. **Location:** The Site is located at 1157 Echo Park Avenue, in the Echo Park neighborhood of Los Angeles, California. Attachment A, Figure 1, Site Location Map, attached hereto and incorporated herein by reference, depicts the location of the Site. Additionally, Figure 2, Site Vicinity Map, of Attachment A, also attached hereto and incorporated herein, depicts the building occupying the Site and the surrounding area. The Site lies approximately 820 feet northeast of Echo Park Lake, a 12-acre urban lake with existing beneficial uses designated by the Regional Board being non-contact water recreation (REC2) and wildlife habitat (WILD). Residential homes are located between the Site and Echo Park Lake.
3. **Groundwater Basin:** The Site is located north of the Central Groundwater Basin on the southwestern edge of Elysian Hills, which are part of the Elysian Hills anticline. A thin veneer of recent alluvium underlies the area of the Site. The subsurface lithology includes Quaternary alluvium composed of unconsolidated clay, sand and gravel, and the Miocene marine Puente formation which consists of siltstones, sandstones, shale, limestone and conglomerates. The Puente formation dips towards the south-southwest at an angle of approximately 45 degrees in the immediate Site vicinity. As set forth in the *Water Quality Control Plan* for the Los Angeles Region (Basin Plan), which was adopted on June 13, 1994, the Regional Board has designated beneficial uses for groundwater, which include municipal and domestic drinking water supplies (MUN) in the Central Basin, and has established water quality objectives for the protection of these beneficial uses.
4. **Water Quality in the Basin:** "Antidegradation Policy" (State Board Resolution No. 68-16) requires attainment of background levels of water quality, or the highest level of water quality that is reasonable in the event that background levels cannot be restored. The detected PCE and other VOCs in the groundwater beneath the Site and its vicinity have impaired the beneficial uses of the

groundwater, causing PCE and other VOCs concentrations to exceed background (non-detect) levels.

5. As detailed in the findings below, the Dischargers' activities at the Site have caused or permitted the discharge of waste to soil and groundwater where it has created, or threatens to create, a condition of pollution or nuisance.

#### SITE HISTORY

6. **Site Description and Activities:** The Site is currently owned by the following parties:

- Kyung Jae Yi and Song Suk Yi
- Echo Complex, Inc.

The purchase agreement for property indicates that Kyung Jae Yi bought the property on January 6, 2000 from 1157 Echo Park, Inc., Milton Chortkoff and Burt Chortkoff.

The grant deed for the property indicates that Kyung Jae Yi and Song Suk Yi transferred the title of the property to Echo Complex, Inc. on October 12, 2000. Kyung Jae Yi and Song Suk Yi are owners of Echo Complex, Inc.

The Site includes one parcel encompassing approximately 0.4 acres. It has a three-story building occupying the entire Site. Hollyway Cleaners, a retail clothing store and other businesses occupy the first floor and the upper floors are being used for apartments.

The property has changed hands between successive owners since approximately 1907. The property ownership history is summarized in Table 1 below. One of the units of the building has been occupied by Hollyway Cleaners since approximately 1941 and successive operators owned and ran the dry cleaning business, as summarized in Table 2.

#### Site Ownership Timeline

The historical Site ownership is summarized in Table 1 below.

Table 1 - Site Ownership History

| Approximate Date  | Grantor (Seller or Prior Owner)                            | Grantee (New Owner)   | Document Type                       |
|-------------------|--|---|-------------------------------------|
| 1907 <sup>1</sup> | Unknown  | Arthur Fey  | Personal communication <sup>2</sup> |
| 1969              | Unknown  | Milt Chortkoff and Burt Chortkoff                                       | Personal communication <sup>2</sup> |
| 1986              | Milt Chortkoff and Burt Chortkoff                          | Echo Park/Sunset Investment Ltd.  | Personal communication <sup>2</sup> |
| 1990              | Echo Park/Sunset Investment Ltd                            | Milt Chortkoff and Burt Chortkoff and 1157 Echo Park, Inc. <sup>3</sup> | Personal communication <sup>2</sup> |
| January 6, 2000   | Milt Chortkoff and Burt Chortkoff and 1157 Echo Park, Inc. | Kyung Jae Yi and Kyung Ho Yi  | Property purchase agreement         |
| October 20, 2000  | Kyung Jae Yi and Song Suk Yi <sup>4</sup>                  | Echo Complex, Inc.  | Grant deed                          |

<sup>1</sup> The Los Angeles County, Assessor's Office website indicates that the building was constructed in 1907.

<sup>2</sup> Historical property information was obtained from Mr. Burt Chortkoff during a phone conversation in August 2008.

<sup>3</sup> In a property purchase agreement, dated January 6, 2000, Milt Chortkoff and Mr. Burt Chortkoff signed as president and treasurer of 1157 Echo Park, Inc., respectively.

<sup>4</sup> Ms. Song Suk Yi is included as a grantor on the grant deed but is not included as a buyer in the property purchase agreement.

### Site Operations Timeline

The historical Site operations are summarized in Table 2 below.

Table 2 - Site Operations History

| Approximate Period | Dry Cleaning Business Operator and Owner       | Name of Business              | Source of Information  |
|--------------------|--|-------------------------------|--|
| 1941 - 1946        | Shirlee Smith                                  | Hollyway Cleaners and Laundry | Personal communication <sup>1</sup>  |
| 1946 - 1985        | Carl Chortkoff and Milt Chortkoff <sup>2</sup> | Hollyway Cleaners             | Personal communication <sup>1</sup>  |
| 1985 - 1997        | Valetor, Inc. <sup>3</sup>                     | Hollyway Cleaners             | Personal communication <sup>1</sup> and fictitious business name statement |
| 1997 - 2007        | Zare Sarkissian and Sirvarte Sarkissian        | Hollyway Cleaners             | Fictitious business name statement   |
| 2007 - present     | Digna Guzman and Jose Huerta                   | Hollyway Cleaners             | Fictitious business name statement   |

<sup>1</sup> Historical property information was obtained from Mr. Burt Chortkoff during a phone conversation in August 2008.

<sup>2</sup> The information available on the web site of Milt & Edie's Drycleaners indicates that Mr. Milt Chortkoff's cleaning experience began 60 years ago working at Hollyway Laundry & Dry Cleaners, his father's business in Echo Park. Mr. Milt Chortkoff is currently the owner of Milt & Edie's Drycleaners, located in Burbank, CA. (see <http://www.miltandediesdrycleaners.com/AboutUs.htm> accessed on November 10, 2010).

The *Eastsider LA* cites *The Los Angeles Times* as writing about Hollyway Cleaners in its January 1963 edition. Milton Chortkoff was mentioned in the article as owner of Hollyway Cleaners at the time (see: <http://www.theeastsiderla.com/2010/10/neighborhood-fixture-1157-echo-park-avenue/>, accessed on November 10, 2010).

<sup>3</sup> The fictitious business name statement for Valetor, Inc. which runs another dry cleaning business at 8359 Santa Monica Boulevard, Los Angeles, CA indicates that Mr. Fatehali Amersi is the owner of the company. Mr. Burt Chortkoff informed Regional Board staff that Valetor, Inc. ran Hollyway Cleaners from approximately 1985 to 1997.

7. **Chemical Usage:** A cleaning solvent, perchloroethylene (PCE), had reportedly been used in the dry cleaning operations at Hollyway Cleaners. Following a due diligence for property transaction in 1988, subsurface investigations at the Site revealed that there was a discharge of PCE and other VOCs to the soil and groundwater near the unit occupied by Hollyway Cleaners. PCE and the other VOCs are a "waste" as defined in Water Code section 13050(d).

**EVIDENCE OF WASTE DISCHARGE AND BASIS  
FOR SECTION 13304 ORDER**

8. **Waste Releases:** In March 1988, as part of a pre-purchase due diligence, three soil borings (B-1, B-2, and B-3) were drilled by Hart Associates to 20 feet below ground surface (bgs) for environmental site assessment near the unit occupied by Hollyway Cleaners. Many soil samples and a groundwater sample were collected for VOCs analysis. The analysis detected PCE at a maximum concentration of 10,000 micrograms per kilogram ( $\mu\text{g}/\text{Kg}$ ) in the soil samples and 36,000 micrograms per liter ( $\mu\text{g}/\text{L}$ ) in the groundwater sample. Other VOCs such as trichloroethylene (TCE), cis-1,2 dichloroethene (cis-1,2-DCE) and 1,1-dichloroethene (1,1-DCE) were also detected in the soil and groundwater samples.

Following the discovery of the wastes in soil and groundwater, the Site contamination was reported to the Regional Board. Subsequent site assessments were conducted under the Regional Board's oversight to characterize and delineate the extent of the discharges of waste in soil and groundwater.

Seven soil borings (B-1 through B-7) were drilled by Law Environmental from June to December 1988 to depths ranging from 15 to 20 feet bgs near Hollyway Cleaners unit. Five groundwater monitoring wells (MW-1 through MW-5) were also installed.

Soil samples were collected for analysis from the borings for the groundwater monitoring wells. PCE and other VOCs were detected in the soil and groundwater samples. The highest PCE concentration in the soil was detected near the dry cleaning machine at 3,000  $\mu\text{g}/\text{Kg}$  in a 15-foot sample. The highest PCE concentration in the groundwater at 5,900  $\mu\text{g}/\text{L}$  was detected in the groundwater monitoring well (MW-4) immediately downgradient to the Hollyway Cleaners unit.

Supplementary assessment involving a soil gas survey, a cone penetrometer testing (CPT), groundwater sampling with a hydropunch and groundwater monitoring well installation and sampling was conducted from January to June 1990.

The soil gas survey consisted of a soil vapor sampling from depths ranging from approximately 2 feet to 2.5 feet bgs at 25 locations behind (northwest of) the Hollyway Cleaners unit. PCE was detected at a maximum concentration of 23,000  $\mu\text{g}/\text{L}$ . Other VOCs such TCE and 1,1-DCE were also detected. The result of the soil gas survey indicates that a VOCs plume exists in the soil gas beneath the Site and its vicinity. However, the extent of the soil vapor plume is not fully defined.

Based on the results of the CPT and Hydropunch<sup>®</sup> groundwater sampling conducted at 22 locations onsite and offsite, five additional groundwater monitoring wells (MW-6 through MW-10) were installed.

Multiple rounds of groundwater sampling were conducted in December 1988, June 1989, January 1990 and March 1990.

Between 1998 and 2000, a soil sampling and four quarters of groundwater sampling were completed at the Site. The soil sampling involved hand auger sampling at two locations, HA1 and HA2, to evaluate the performance of a soil vapor extraction (SVE) system reportedly installed at the Site in 1994. PCE was detected at 203  $\mu\text{g}/\text{Kg}$  in HA1 at 5 feet bgs and 692  $\mu\text{g}/\text{Kg}$  in HA2 at 15 bgs.

During the four rounds of groundwater monitoring and sampling, the highest concentrations of PCE and other VOCs were reported for groundwater samples collected from wells immediately downgradient to the Hollyway Cleaners unit, MW-3, MW-4 and MW-5.

After a nine-year lapse, the most recent groundwater monitoring and sampling was conducted in March 2009. PCE and other VOCs were reported in the groundwater at concentrations consistent with historical groundwater data.

9. **Source Elimination and Remediation Status:** An SVE system was reportedly installed at the Site in 1994 for soil remediation without Regional Board's oversight. It operated intermittently and operation parameters are unknown as remediation progress reports were not submitted to the Regional Board.

Between April 2000 and July 2002, bench-scale bioremediation tests were performed in a laboratory on soil and groundwater samples collected from the Site to evaluate the effectiveness of a bioremediation product, Bac-Terra<sup>®</sup>, consisting of naturally occurring non-pathogenic microorganisms and nutrients, in reducing the concentration of VOCs in the samples. The treatability study report submitted to the Regional Board indicates that Bac-Terra<sup>®</sup> is effective for soil and groundwater remediation at the Site. However, the proposed bioremediation measure was not tested at a pilot-scale or fully implemented at the Site.

#### 10. Summary of Findings from Subsurface Investigations

Regional Board staff has reviewed and evaluated the technical reports and records pertaining to the release, detection, and distribution of wastes on the Hollyway Cleaners Site and the Site vicinity. Elevated levels of PCE and other wastes have been detected in soil vapor, soil matrix, and groundwater beneath the Hollyway Cleaners site, especially near the unit occupied by Hollyway Cleaners.

- a. The maximum concentration of PCE in the soil matrix is 10,000  $\mu\text{g}/\text{Kg}$  at 10 feet bgs. The concentration of PCE in the soil matrix exceeds soil screening levels (SSLs) by several orders of magnitude, posing a threat to groundwater quality.

The concentration of PCE in the soil matrix also exceeds the United States Environmental Protection Agency (USEPA) Region IX's direct contact exposure pathways Regional Screening Level (RSL) of 0.55 mg/kg for residential soil and 2.6 mg/Kg for industrial soil.

- b. The maximum concentration of PCE in the soil vapor is 23,000  $\mu\text{g}/\text{L}$  at 2 feet bgs. The concentration of PCE in the soil vapor exceeds the California Human Health Screening Level (CHSSLs) of 0.18  $\mu\text{g}/\text{L}$  for residential land use and 0.603  $\mu\text{g}/\text{L}$  for commercial/industrial land use by up to four orders of magnitude.
- c. The maximum concentration of PCE in the groundwater is 36,000  $\mu\text{g}/\text{L}$  in the source area near the dry cleaning unit. The concentration of PCE in the groundwater exceeds the USEPA's or California Department of Public Health's Maximum Contaminant Levels (MCL) of 5  $\mu\text{g}/\text{L}$  by up to more than three orders of magnitude.

The PCE plume in the groundwater has migrated offsite and is threatening Echo Park lake. The offsite groundwater monitoring well downgradient of the site, MW-9, is approximately 90 feet from the edge of the lake. PCE was detected in MW-9 up to 370  $\mu\text{g}/\text{L}$  in the past groundwater sampling events.

- d. The depth of groundwater ranges approximately from 4 feet bgs near Echo Park lake to 17 feet bgs near the dry cleaning unit. The depth to groundwater becomes shallower downgradient away from the dry cleaning unit. Residential houses are located downgradient of the Site and the PCE plume beneath the houses poses a potential VOC vapor intrusion threat to the indoor air.

The Dischargers have caused or permitted VOCs, particularly PCE, to be discharged or deposited where the wastes are, or probably will be discharged into the waters of the State which creates a condition of pollution or nuisance. The Dischargers have caused or permitted VOCs, particularly PCE, to be discharged or deposited where the wastes are or probably will pose a potential human health threat to occupants of the building onsite and residents living in the houses downgradient of the Site through direct contact exposure to contaminated soil and/or groundwater or through vapor intrusion into indoor air.

11. Water quality objectives (WQOs) that apply to the groundwater at the Site include the state MCLs. The groundwater exceeds the WQOs for the wastes. The exceedance of applicable water quality objectives in the Basin Plan constitutes pollution as defined in California Water Code Section 13050(1)(1). The wastes detected in waters, soil and vapor at the Site threatens to cause pollution, including contamination, and nuisance.
12. **Regulatory Status:** Prior to issuance of this Cleanup and Abatement Order (CAO), there was one active Order issued to two of the responsible parties for this Site, Mr. Milton Chortkoff and Mr. Kyung Jae Yi. The Order, dated January 25, 2010, modified requirements contained in prior Orders and established additional requirement for soil and groundwater remediation. Mr. Milton Chortkoff did not comply with the Order, claiming indemnification of environmental liabilities after the sale of the property. Mr. Kyung Jae Yi claimed financial hardship and did not comply with the Order.
13. **Impairment of Drinking Water Wells:** The Regional Board has the authority to require the Dischargers and other dischargers to pay for or provide uninterrupted replacement water service to each affected public water supplier or private well owner in accordance with Water Code section 13304.
14. **Sources of Information:** The sources for the evidence summarized above include but are not limited to: reports and other documentation in Regional Board files, telephone calls and e-mail communication between responsible parties, their attorneys and consultants, and site visits.

#### AUTHORITY - LEGAL REQUIREMENTS

15. Section 13304(a) of the Water Code provides that:

*"Any person who has discharged or discharged waste into the waters of this state in violation of any waste discharge requirements or other order or prohibition issued by a regional board or the state board, or who has caused or permitted, causes or permits, or threatens to cause or permit any waste to be discharged or deposited where it is, or probably will be, discharged into the waters of the state and creates, or threatens to create, a condition of pollution or nuisance, shall upon order of the regional board cleanup the waste or abate the effects of the waste, or, in the case of threatened pollution or nuisance, take other necessary remedial action, including, but not limited to, overseeing cleanup and abatement efforts. Upon failure of any person to comply with the cleanup and abatement order, the Attorney General, at the request of the regional board, shall petition the superior court for that county for the issuance of an injunction requiring the person to comply with the order. In the suit, the court shall have jurisdiction to grant a prohibitory or mandatory injunction, either preliminary or permanent, as the facts may warrant."*

16. Section 13304(c)(1) of the California Water Code provides that:

*"... the person or persons who discharged the waste, discharges the waste, or threatened to cause or permit the discharge of the waste within the meaning of subdivision (a), are liable to that government*

*agency to the extent of the reasonable costs actually incurred in cleaning up the waste, abating the effects of the waste, supervising cleanup or abatement activities, or taking other remedial actions. . ."*

17. The State Water Resources Control Board (hereafter State Board) has adopted Resolution No. 92-49, the *Policies and Procedures for Investigation and Cleanup and Abatement of Discharges Under Water Code Section 13304*. This Policy sets forth the policies and procedures to be used during an investigation or cleanup of a polluted site and requires that cleanup levels be consistent with State Board Resolution 68-16, the *Statement of Policy With Respect to Maintaining High Quality of Waters in California*. Resolution 92-49 and the Basin Plan establish the cleanup levels to be achieved. Resolution 92-49 requires the waste to be cleaned up to background, or if that is not reasonable, to an alternative level that is the most stringent level that is economically and technologically feasible in accordance with Title 23, California Code of Regulations (CCR) Section 2550.4. Any alternative cleanup level to background must (1) be consistent with the maximum benefit to the people of the state; (2) not unreasonably affect present and anticipated beneficial use of such water; and (3) not result in water quality less than that prescribed in the Basin Plan and applicable Water Quality Control Plans and Policies of the State Board.

#### CONCLUSIONS

18. **Pollution of Waters of the State:** As described in this Order, the Dischargers have caused or permitted, or threatened to cause or permit, waste to be discharged where it is or probably will be discharged into the waters of the state and creates, or threatens to create, a condition of pollution or nuisance.
19. **Need for Technical Reports:** This Order requires the submittal of technical or monitoring reports pursuant to Water Code section 13267<sup>2</sup>. The Dischargers are required to submit the reports because, as described in the Findings in this Order, the Dischargers are responsible for the discharge of waste that has caused pollution and nuisance. The reports are necessary to evaluate the extent of the impacts on water quality and public health and to determine the scope of the remedy.
20. Issuance of this Order is being taken for the protection of the environment and as such is exempt from provisions of the California Environmental Quality Act (CEQA) (Public Resources Code section 21000 et seq.) in accordance with California Code of Regulations, title 14, sections 15061(b)(3), 15306, 15307, 15308, and 15321. This Order generally requires the Dischargers to submit plans for approval prior to implementation of cleanup activities at the Site. Mere submittal of plans is exempt from CEQA as submittal will not cause a direct or indirect physical change in the environment and/or is an activity that cannot possibly have a significant effect on the environment. CEQA review at this time would be premature and speculative, as there is simply not enough information concerning the Dischargers' proposed remedial activities and possible associated environmental impacts. If the Regional Board determines that implementation of any plan required by this Order will have a significant effect on the environment, the Regional Board will conduct the necessary and appropriate environmental review prior to Executive Officer's approval of the applicable plan.
21. Pursuant to section 13304 of the California Water Code, the Regional Board may seek reimbursement for all reasonable costs to oversee cleanup of such waste, abatement of the effects thereof, or other remedial action.

<sup>2</sup> Water Code section 13267 authorized the Regional Board to require any person who has discharged, discharges, or is suspected of having discharged or discharging, waste to submit technical or monitoring program reports.

### REQUIRED ACTIONS

**THEREFORE, IT IS HEREBY ORDERED**, pursuant to section 13304 of the California Water Code, that the Dischargers shall investigate, cleanup and abate waste emanating from 1157 Echo Park Avenue, Los Angeles, California and develop and submit reports in accordance with the following requirements:

1. **Develop a Site Conceptual Model:** The Site Conceptual Model (SCM) should include a written presentation with graphic illustrations of discharge scenario, geology and hydrogeology, waste fate and transport in soil matrix, soil gas and groundwater, distribution of wastes, exposure pathways, sensitive receptors and other relevant information. The SCM shall be constructed based upon actual data collected from the Site.

The SCM shall include a comprehensive human health risk assessment (HHRA), and if applicable an ecological risk assessment, considering all waste constituents in the soil matrix, soil gas and groundwater, all exposure pathways and sensitive receptors and applying existing regulatory human health and ecological screening levels and/or acceptable risk assessment models.

The SCM shall also be updated as new information becomes available. The SCM should be updated and be submitted semiannually or upon request by the Regional Board staff.

2. **Assess, Characterize and Delineate the Extent of Soil and Groundwater Pollution:** Fully assess and characterize and completely delineate the extent of wastes in the soil matrix, soil vapor, and groundwater caused by the discharge of PCE and any other waste constituents from the Site.

If interpretation of the SCM suggests that assessment, characterization and delineation of waste constituents is incomplete, you shall prepare and submit a work plan to complete assessment and characterization of VOCs and other potential waste constituents in soil vapor, soil matrix and groundwater and to fully delineate the vertical and lateral extent of wastes in the soil and groundwater onsite and offsite.

Iterative additional site assessment work plans and associated reports may be needed if near-term assessment work does not accomplish full assessment, characterization and delineation of wastes in the soil and groundwater. The Regional Board will consider designating new due dates if additional work is needed.

3. **Conduct Remedial Action:** Initiate a cleanup and abatement program for the cleanup of wastes in the soil matrix, soil vapor, and groundwater and the abatement of threatened beneficial uses of water and pollution sources as highest priority. Specifically, you shall:
  - A. Develop a comprehensive Remedial Action Plan (RAP) for cleanup of wastes in the soil matrix, soil vapor and groundwater originating from the Site and submit it for Regional Board review and approval. The RAP shall include, at a minimum:
    - i. Discussion of the technology(ies) proposed for remediation of soil matrix, soil vapor and groundwater.
    - ii. Description of the selection criteria for choosing the proposed method over other potential remedial options. Discuss the technical merit, suitability of the selected method under the given site conditions and waste constituents present, economic and temporal feasibility, and immediate and/or future beneficial results.

- iii. Estimation of cumulative mass of wastes to be removed with the selected method. Include all calculations and methodology used to obtain this estimate.
- iv. Develop preliminary cleanup goals in compliance with State Water Board Resolution 92-49 ("*Policies and Procedures for Investigation and Cleanup and Abatement of Discharges Under Water Code Section 13304*"). Resolution 92-49, Section III.G. requires cleanup to background, unless that is not reasonable. Alternative cleanup levels to background must comply with California Code of Regulations, Title 23, sections 2550.4, and be consistent with maximum benefit to the people of the state, protect beneficial uses, and result in compliance with the Basin Plan.

The following information shall be considered when establishing preliminary cleanup goals:

- a. Soil cleanup levels set forth in the Regional Board's *Interim Site Assessment and Cleanup Guidebook*, May 1996.
- b. Human health protection levels set forth in the current USEPA Region IX's RSLs.
- c. Protection from vapor intrusion and protection of indoor air quality based on the California EPA's January 2005 (or later version) *Use of Human Health Screening Levels (CHHSLs) in Evaluation of Contaminated Properties*. Soil vapor sampling requirements are stated in the Department of Toxic Substances Control (DTSC) and Regional Board January 2003 *Advisory - Active Soil Gas Investigations*, and the DTSC February 2005 (or latest version) *Guidance for the Evaluation and Mitigation of Subsurface Vapor Intrusion to Indoor Air*.
- d. Groundwater cleanup goals shall not exceed California's MCLs, Notification Levels for drinking water as established by the State Department of Public Health, Ocean Plan, the California Toxic Rules or Regional Board's Basin Plan water quality objectives, at a point of compliance approved by the Regional Board.
- e. State Water Board Resolution 68-16 ("*Statement of Policy with Respect to Maintaining High Quality Waters in California*"), which requires attainment of background levels of water quality, or the highest level of water quality that is reasonable in the event that background levels cannot be restored. Cleanup levels other than background must be consistent with the maximum beneficial use of water, and not result in exceedance of water quality objectives in the Basin Plan."

Additional RAPs may be needed if the implemented remedial measure does not completely achieve all site clean up goals.

- B. Submit quarterly remediation progress reports to this Regional Board. The quarterly remediation progress reports shall document all performance data associated with the operating systems. The due dates for the quarterly remediation progress reports shall be determined by the Regional Board upon approval of the Remedial Action Plan(s).
4. **Conduct Groundwater Monitoring:** Continue the existing quarterly groundwater monitoring program. The quarterly groundwater monitoring reports shall be submitted according to the following schedule, with the next report due **April 15, 2012**:

| Monitoring Quarter | Monitoring Period  | Report Due Date |
|--------------------|--------------------|-----------------|
| First Quarter      | January - March    | April 15        |
| Second Quarter     | April - June       | July 15         |
| Third Quarter      | July - September   | October 15      |
| Fourth Quarter     | October - December | January 15      |

5. **Time Schedule:** The Dischargers shall submit all required work plans and reports within the time schedule listed in Attachment B attached hereto and incorporated herein by reference.
6. The Regional Board's authorized representative(s) shall be allowed:
  - a. Entry upon premises where a regulated facility or activity is located, conducted, or where records are stored, under the conditions of this CAO;
  - b. Access to copy any records that are stored under the conditions of this CAO;
  - c. Access to inspect any facility, equipment (including monitoring and control equipment), practices, or operations regulated or required under this CAO; and
  - d. The right to photograph, sample, and monitor the Site for the purpose of ensuring compliance with this CAO, or as otherwise authorized by the California Water Code.
7. **Contractor/Consultant Qualification:** A California licensed professional civil engineer or geologist, or a certified engineering geologist or hydrogeologist shall conduct or direct the subsurface investigation and cleanup program. All technical documents shall be signed by and stamped with the seal of the above-mentioned qualified professionals that reflects a license expiration date.
8. This CAO is not intended to permit or allow the Dischargers to cease any work required by any other CAO issued by the Regional Board, nor shall it be used as a reason to stop or redirect any investigation or cleanup or remediation programs ordered by the Regional Board or any other agency. Furthermore, this CAO does not exempt the Dischargers from compliance with any other laws, regulations, or ordinances which may be applicable, nor does it legalize these waste treatment and disposal facilities, and it leaves unaffected any further restrictions on those facilities which may be contained in other statutes or required by other agencies.
9. The Dischargers shall submit a 30-day advance notice to the Regional Board of any planned changes in name, ownership, or control of the Site and shall provide a 30-day advance notice of any planned physical changes to the Site that may affect compliance with this CAO. In the event of a change in ownership or operator, the Dischargers also shall provide a 30-day advance notice, by letter, to the succeeding owner/operator of the existence of this CAO, and shall submit a copy of this advance notice to the Regional Board.
10. Abandonment of any groundwater well(s) at the Site must be approved by and reported to the Executive Officer at least 30 days in advance. Any groundwater wells removed must be replaced within a reasonable time, at a location approved by the Executive Officer. With written justification, the Executive Officer may approve of the abandonment of groundwater wells without replacement. When a well is removed, all work shall be completed in accordance with California Department of Water Resources Bulletin 74-90, "California Well Standards," Monitoring Well Standards Chapter, Part III, Sections 16-19.
11. The Regional Board, through its Executive Officer, may revise this CAO as additional information becomes available. Upon request by the Dischargers, and for good cause shown, the Executive Officer may defer, delete or extend the date of compliance for any action required of the Dischargers under this CAO. The authority of the Regional Board, as contained in the California Water Code, to

order investigation and cleanup, in addition to that described herein, is in no way limited by this CAO.

12. Any person aggrieved by this action of the Regional Water Board may petition the State Water Board to review the action in accordance with Water Code section 13320 and California Code of Regulations, title 23, sections 2050 and following. The State Water Board must receive the petition by 5:00 p.m., 30 days after the date of this Order, except that if the thirtieth day following the date of this Order falls on a Saturday, Sunday, or state holiday, the petition must be received by the State Water Board by 5:00 p.m. on the next business day. Copies of the law and regulations applicable to filing petitions may be found on the Internet at:

[http://www.waterboards.ca.gov/public\\_notices/petitions/water\\_quality](http://www.waterboards.ca.gov/public_notices/petitions/water_quality)

or will be provided upon request.

13. Failure to comply with the terms or conditions of this CAO may result in imposition of civil liabilities, imposed either administratively by the Regional Board or judicially by the Superior Court in accordance with sections 13304, 13308, and/or 13350 of the California Water Code, and/or referral to the Attorney General of the State of California.
14. None of the obligations imposed by this CAO on the Dischargers are intended to constitute a debt, damage claim, penalty or other civil action which should be limited or discharged in a bankruptcy proceeding. All obligations are imposed pursuant to the police powers of the State of California intended to protect the public health, safety, welfare, and environment.

Ordered by Samuel Unger  
Samuel Unger, P.E.  
Executive Officer

Date: December 21, 2011

**Attachment A (Maps)**

**FIGURE 1: SITE VICINITY MAP**

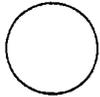


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FN 340903TOPO

Map Name: Hollywood, CA  
Version: 1994

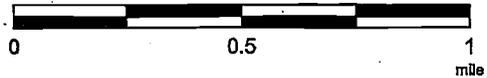
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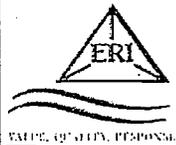
1/2-mile radius circle



**APPROXIMATE SCALE**



SOURCE:  
Modified from a map  
provided by  
National Geographic's TOPO!



**SITE LOCATION MAP**

HOLLYWAY CLEANERS  
1157 Echo Park Avenue  
Los Angeles, California

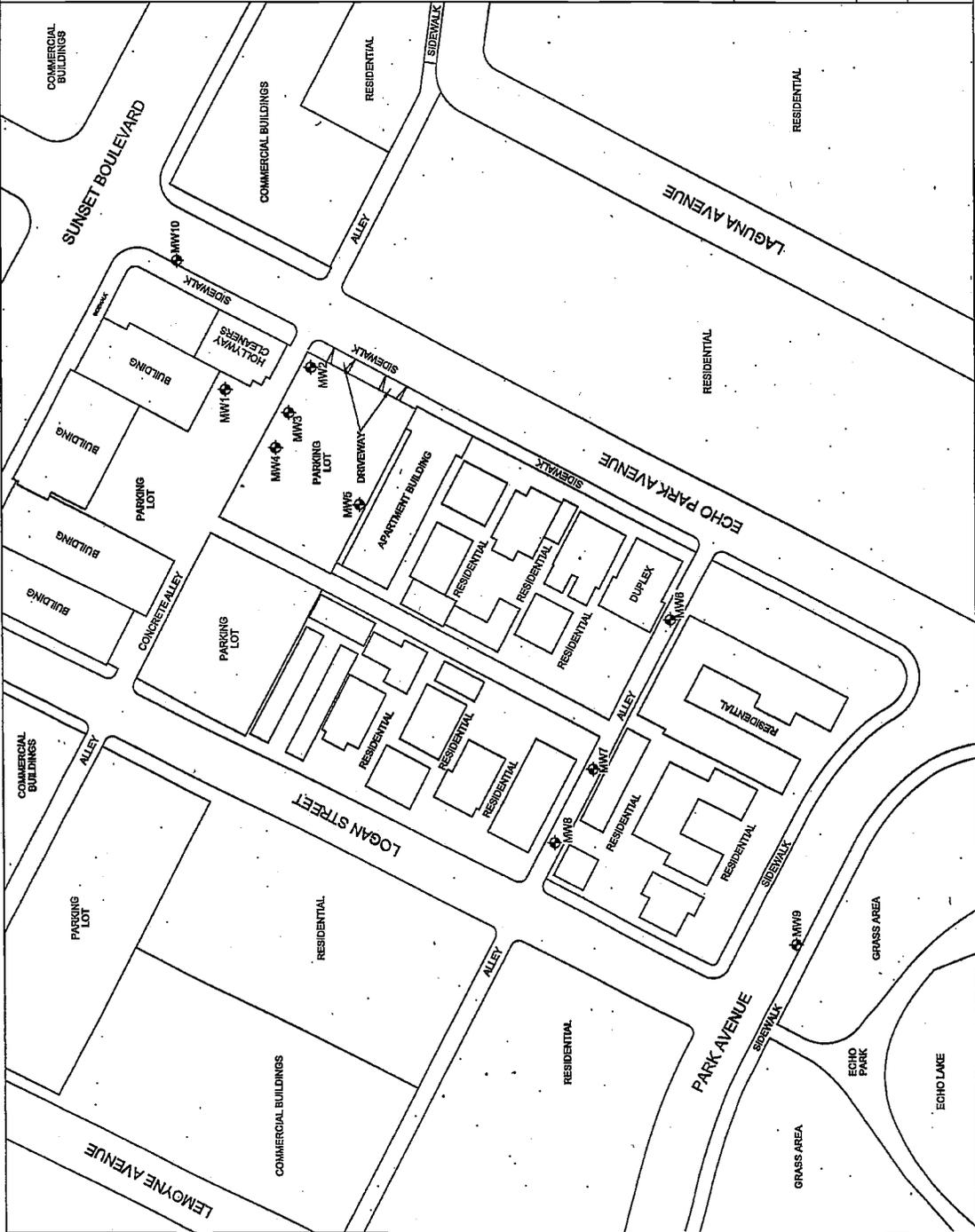
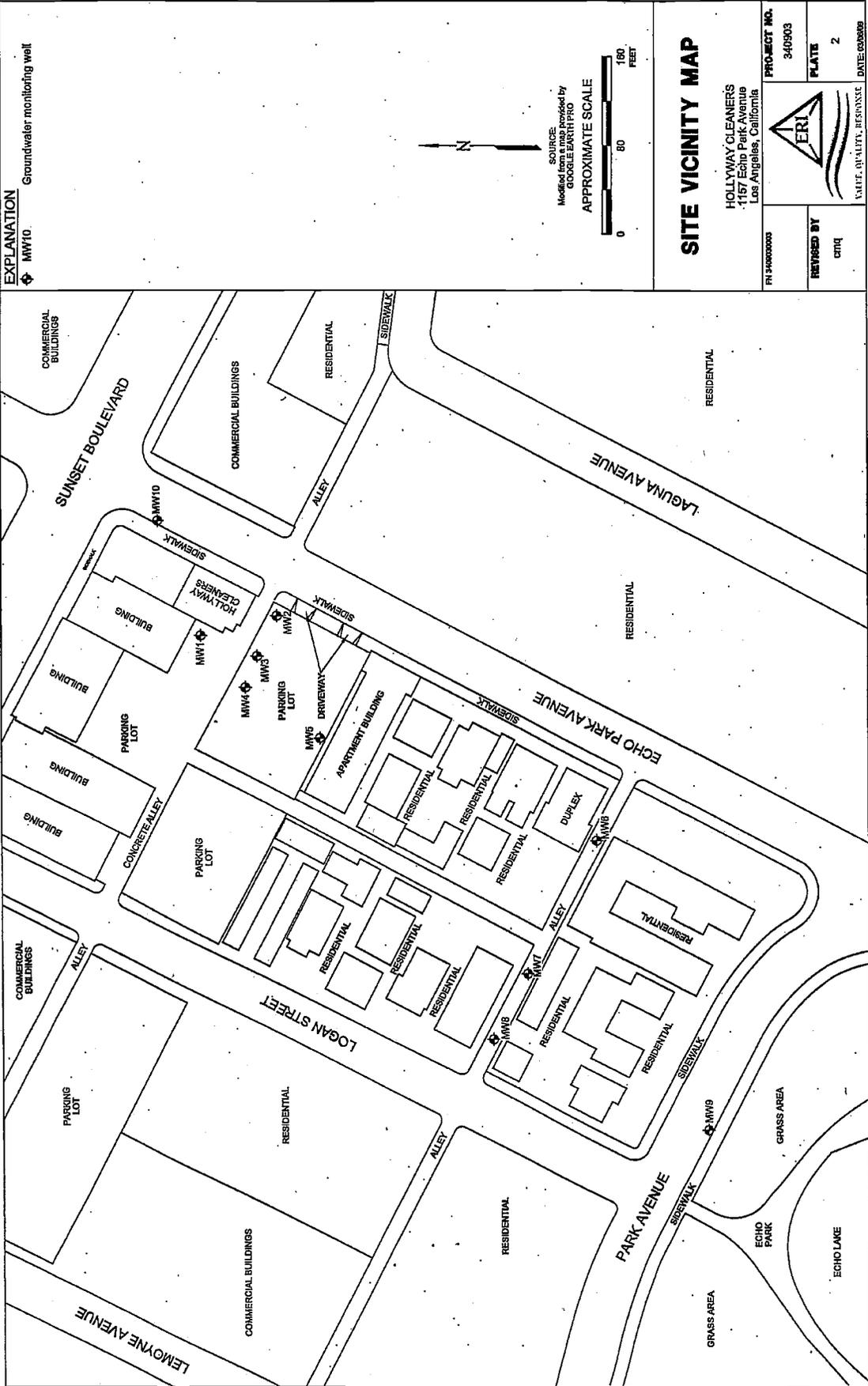
**PROJECT NO.**

340903

**PLATE**

1

**FIGURE 2: SITE MAP**



**Attachment B: Time Schedule**

| <b>DIRECTIVE</b> |  | <b>DUE DATE</b>   |
|------------------|--|---|
| <b>1.</b>        | <b>Develop a Site Conceptual Model:</b>  |   |
| 1a               | <p>Prepare and submit a Site Conceptual Model which provides details on and illustrates contaminant release scenario, geology and hydrogeology, contaminant fate and transport in soil, soil gas and groundwater, distribution of contaminants, exposure pathways, sensitive receptors and other relevant information.</p> <p>Include a comprehensive human health risk assessment (HHRA), and if applicable ecological risk assessment, in the Site Conceptual Site Model, considering all contaminants in the soil matrix, soil gas and groundwater, all exposure pathways and sensitive receptors and applying existing regulatory human health and ecological screening levels and/or acceptable risk assessment models.</p> | <b>June 12, 2012</b>  |
| 1b               | Provide updates to the existing Site Conceptual Model in all future technical reports as new information becomes available.  | To be determined after review and evaluation of the Site Conceptual Model.  |
| <b>2.</b>        | <b>Complete Delineation of Waste Discharge:</b>  |   |
|                  | <p>Prepare and submit a work plan for completing delineation of the extent of VOCs in the soil matrix, soil vapor, and groundwater.</p> <p>Iterative additional site assessment work plans and associated reports may be needed if near-term assessment work does not accomplish full assessment and delineation of the soil and groundwater contamination. The Regional Board will consider designating new due dates if additional work is needed.</p>   | <p>To be determined after review of the Site Conceptual Model</p> <p>To be determined after review of site assessment reports and work plans</p>  |
| <b>3.</b>        | <b>Conduct Remedial Action:</b>  |   |
| 3a               | <p>Develop and submit a Remedial Action Plan (RAP) for soil, soil vapor and groundwater remediation and abetting the effects of the waste released to the environment.</p> <p>Additional RAPs may be needed if the implemented remedial measure does not achieve all site clean up goals.</p>  | <p>To be determined after review of the Site Conceptual Model and site assessment reports</p> <p>To be determined after review and evaluation of remediation progress and/or remediation completion reports</p> |

| DIRECTIVE |   | DUE DATE  |
|-----------|---|---|
| 3b        | Prepare and submit Remediation Progress Reports for the remediation system implemented.   | To be determined upon approval of the Remedial Action Plan(s)   |
| 4.        | <p><b>Groundwater Monitoring:</b></p> <p>Conduct quarterly groundwater monitoring according to the following schedule.</p> <p><u>Monitoring Period</u></p> <p>January 1 - March 31<br/> April 1 - June 30<br/> July 1 - September 30<br/> October 1 - December 31</p> | <p>The next groundwater monitoring report is due on <b>April 15, 2012.</b></p> <p><u>Report Due Date</u></p> <p>April 15<sup>th</sup><br/> July 15<sup>th</sup><br/> October 15<sup>th</sup><br/> January 15<sup>th</sup></p> |

**Responsiveness Summary - Draft Cleanup and Abatement Order R4-2011-XXXX  
 Comment Due Date: June 24, 2011**

|  |
|--|
| 1-1 Mr. Kyung Jae Yi, Ms. Song Suk Yi and Echo Complex, Inc. (through Mr. Daniel Whang, Attorney-At-Law)           |
| 2-1 Mr. Zare Sarkissian and Ms. Sirvarte Sarkissian (through Mr. Mark Gilmartin, Attorney-At-Law)                  |
| 3-1 Mr. Milton Chortkoff, Mr. Burt Chortkoff and 1157 Echo Park, Inc. (through Mr. Stewart Hsieh, Attorney-At-Law) |
| 4-1 Mr. Fatehali Amersi and Valector, Inc. (through Mr. William Harris, Attorney-At-Law)                           |

| No.   | Author   | Date       | Comment   | Regional Board's Response   |
|-------|--|------------|---|---|
| 1-1.1 | Mr. Kyung Jae Yi, Ms. Song Suk Yi and Echo Complex, Inc. | 06/24/2011 | <p>[Mr. and Mrs. Yi] submitted a report in 2002 about the pilot project and did not receive responses from the Regional Board.</p> <p>The State Water Resources Control Board Office of Research, Planning, and Performance (ORPP) has confirmed that [Mr. and Mrs. Yi] do not have the financial ability to pay for the cleanup. The Draft Order should be modified to reflect that Mr. Yi was excused from compliance after the financial determination was made by ORPP.</p> | <p>The Regional Board received the said report but the case became inactive in 2002 due to shortage of resources. The case was reactivated in 2008 after a new staff was hired and it was reassigned to the new hire. Since then, regulatory oversight has been provided to the case.</p> <p>The Regional Board did not excuse Mr. and Mrs. Yi from compliance because the financial evaluation on their financial records indicated that there was a 50% chance for Mr. and Mrs. Yi to pay for a proposed limited groundwater cleanup. The Regional Board named other responsible parties in the draft CAO, among other things, to help Mr. and Mrs. Yi share the financial burden with these responsible parties.</p> <p>Moreover, according to the State Water Resources Control Board Resolution 92-49, "Economic feasibility, in this Policy, does not refer to the discharger's ability to finance cleanup. Availability of financial resources should be considered in the establishment of reasonable compliance schedules." (Section III.H.2) Therefore, the Regional Board cannot excuse a responsible party from compliance based on financial resources, but can consider other information, such as role of other responsible parties:</p> |

**Responsiveness Summary - Draft Cleanup and Abatement Order R4-2011-XXXX  
Comment Due Date: June 24, 2011**

| No.   | Author   | Date       | Comment   | Regional Board's Response  |
|-------|--|------------|---|--|
| 2-1.1 | Mr. Zare Sarkissian and Ms. Sirvarte Sarkissian                    | 06/24/2011 | There is no evidence that Mr. & Mrs. Sarkissian caused or permitted perchloroethylene (PCE) or any other hazardous material or waste to be discharged to waters of the State. There is no evidence that PCE was spilled, released, or discharged during dry cleaning operations between 1997 and 2007. High concentrations of chlorinated solvents were discovered in groundwater in 1988 and monitoring during the Mr. & Mrs. Sarkissian's tenancy does not show evidence of new releases. | Mr. & Mrs. Sarkissian leased the Hollyway Cleaners unit from the building owner and operated a dry cleaning business similar to that of the previous operators. They apparently used PCE for the dry cleaning operation. Continued site assessment and groundwater monitoring showed at the time that PCE was found in the soil and groundwater. Based on the soil and groundwater data collected from the site, it is difficult to prove or rule out any new spill or release of PCE occurred between 1997 and 2007.  |
| 3-1.1 | Mr. Milton Chortkoff<br>Mr. Burt Chortkoff<br>1157 Echo Park, Inc. | 06/22/2011 | Mr. Chortkoff sold the property to Mr. Yi, subject to an indemnification agreement. Therefore, Mr. Yi is responsible, not Mr. Chortkoff. If the Regional Board pursues Mr. Chortkoff, he will be required to sue Mr. Yi for indemnification, which may result in Mr. Chortkoff becoming the owner of the property and the primarily responsible party.  | The California Water Code section 13304 authorizes the Regional Board to issue Cleanup and Abatement Orders to persons who cause or permit, or have caused or permitted, discharges of waste that impact water quality. Consistent with Water Code section 13304 and multiple opinions of the State Water Resources Control Board interpreting section 13304, the proposed cleanup and abatement order names current and past owners and operators who discharged waste (PCE from dry cleaning operations) that has polluted the groundwater. Mr. Chortkoff as the owner and operator of the dry cleaning business for many years is a responsible party. The Regional Board is not a party to the indemnification agreement and is not bound by the terms of that agreement. The Regional Board has not distinguished a primarily responsible party in this matter. |
| 4-1.1 | Mr. Fatehali Amersi and Valetor, Inc.                              | 06/03/2011 | Valetor, Inc. is erroneously called Veletor, Inc. [sic]<br><br>Milton and Burt Chortkoff are solely responsible since they operated the dry cleaning business for 40 years and failed to conduct any cleanup.<br><br>During Mr. Fatehali's and Valetor's operation of the   | The error has been corrected.<br><br>The Regional Board considers the Chortkoffs as responsible parties, in addition to other current and past owners and operators of the site.<br><br>See the response above.  |

**Responsiveness Summary - Draft Cleanup and Abatement Order R4-2011-XXXX**  
**Comment Due Date: June 24, 2011**

| No. | Author | Date | Comment  | Regional Board's Response |
|-----|--------|------|--|---------------------------|
|     |        |      | <p>drycleaning business they disposed of PCE by use of an authorized waste disposal company. Whereas, Mr. Chortkoff routinely dumped the PCE into the dumpster. This was confirmed in depositions during two lawsuits.</p> |                           |

# EXHIBIT 2

# Real Estate Reports

*First American Title*



**Subject Property**

1157 ECHO PARK AVE  
LOS ANGELES  
CA 90026  
APN 5404-018-001

Data Provided by

Customer Service



*First American Title*

First American Title Insurance Company makes no expressed or implied warranty respecting the information presented and assumes no responsibility for errors or omissions. First American Title is a trade mark of First American Financial Company.

Owner  
ECHO COMPLEX INC

Address  
1157 ECHO PARK AVE LOS ANGELES , CA 90026

Parcel/Tax ID  
5404-018-001

**Property Profile**

**Ownership Information**

|                                  |  |                   |                       |
|----------------------------------|--|-------------------|-----------------------|
| Primary Owner                    | ECHO COMPLEX INC                               | Site Address      | 1157 ECHO PARK AVE    |
| Secondary Owner                  |  | Site City, St Zip | LOS ANGELES, CA 90026 |
| Ownership Description            | Company Corporation Incorporated               | Mail Address      | 4056 W 7TH ST         |
| Telephone Number                 | Suppressed                                     | Mail City, St Zip | LOS ANGELES, CA 90005 |
| Lot                              | 1  | Census Tract      | 1975.00               |
| Housing Tract / Subdivision Name | / MONTANA TR                                   |                   |                       |
| Legal Description                | SOUTH PART OF THE MONTANA TRACT EX OF ST LOT 1 |                   |                       |

**Property Details**

|                         |                          |                      |             |
|-------------------------|--------------------------|----------------------|-------------|
| Use Code                | Commercial miscellaneous | County/Municipality  | LOS ANGELES |
| State                   | CA                       | Total Rooms          |             |
| RTSQ                    |                          | Bedrooms             |             |
| Zoning                  | LAC2                     | Bathrooms            |             |
| Number Of Units         |                          | Basement Square Feet |             |
| Year Built              | 1924                     | Parking              |             |
| # Of Stories            |                          | Parking Square Feet  |             |
| Lot Size                | 6,869                    | View                 |             |
| Usable Lot Size         | 7,050                    | Pool                 |             |
| Lot Depth               |                          | Fireplace            |             |
| Lot Width               |                          | HT/AC                |             |
| Square Feet             | 18,960                   | Cooling Detail       |             |
| Square Ft 1st Flr       |                          | Heating Detail       |             |
| Square Ft 2nd Flr       |                          | Roof Type            |             |
| Square Ft 3rd Flr       |                          | Construction Quality |             |
| Additions - Square Feet |                          | Construction Type    | Other       |
| Building Shape          | Other                    | Exterior             |             |
| New Page Grid           | 594E7                    | Foundation           |             |
| Old Page Grid           | 35C5                     |                      |             |

**Tax Information**

|                                 |              |                         |          |
|---------------------------------|--------------|-------------------------|----------|
| Assessor's Parcel Number/Tax ID | 5404-018-001 | Assessor's Market Value |          |
| Assessed Total                  |              | Tax Amount              | \$14,608 |
| Land Total                      | \$497,859    | Status/Yr Delinquent    | Current  |
| Improvement                     | \$561,018    | Tax Rate Area           | 13       |
| Percent Improvement             | 52.98%       | HomeOwners Exemption    | N        |

**Sale Information**

|                    |              |                             |            |
|--------------------|--------------|-----------------------------|------------|
| Last Sale Date     | Oct 05, 2000 | 1st Loan Amount             | Suppressed |
| Document Number    | 0001567049   | 2nd Loan Amount             | Suppressed |
| Sale Value         | \$850,000    | Last Transaction W/O \$     | Suppressed |
| Cost / Square feet | \$45         | Last Transaction W/O \$ Doc | Suppressed |
| Title Company      | Suppressed   |                             |            |
| Lender             | Suppressed   |                             |            |

Owner  
ECHO COMPLEX INC

Address  
1157 ECHO PARK AVE LOS ANGELES , CA 90026

Parcel/Tax ID  
5404-018-001

**Expanded History**

**Transaction 4 - Transfer**

**Transaction Information**

|                  |               |                  |  |
|------------------|---------------|------------------|--|
| Buyer / Borrower | ECHO, COMPLEX | Signature Date   |  |
| Recorded Date    | Oct 18, 2000  | Multiple/Portion |  |
| Title Company    | UNKNOWN       |                  |  |

**Ownership Transfer Information**

|                |               |                  |        |
|----------------|---------------|------------------|--------|
| Seller         | YI, K J & S S | Transaction Type | Resale |
| Transfer Value |               | Deed Type        |        |
| Document #     | 0001626970    |                  |        |

**Loan Information**

|             |            |                    |            |
|-------------|------------|--------------------|------------|
| Loan Amount |            | Loan Type          | Suppressed |
| Document #  | 0001626970 | Interest Rate Type | Suppressed |
|             |            | Seller Carry Back  | Suppressed |

Lender Name

**Transaction 3 - Transfer**

**Transaction Information**

|                  |                         |                  |  |
|------------------|-------------------------|------------------|--|
| Buyer / Borrower | YI, KYUNG J & SONG S    | Signature Date   |  |
| Recorded Date    | Oct 05, 2000            | Multiple/Portion |  |
| Title Company    | COMMONWEALTH LAND TITLE |                  |  |

**Ownership Transfer Information**

|                |                    |                  |        |
|----------------|--------------------|------------------|--------|
| Seller         | 1157 ECHO PARK INC | Transaction Type | Resale |
| Transfer Value | \$850,000          | Deed Type        |        |
| Document #     | 0001567049         |                  |        |

**Loan Information**

|             |           |                    |            |
|-------------|-----------|--------------------|------------|
| Loan Amount | \$510,000 | Loan Type          | Suppressed |
| Document #  | 1567050   | Interest Rate Type | Suppressed |
|             |           | Seller Carry Back  | Suppressed |

Lender Name

SELLER

**Transaction 2 - Transfer**

**Transaction Information**

|                  |                  |                  |  |
|------------------|------------------|------------------|--|
| Buyer / Borrower | 1157 ECHO PARK I | Signature Date   |  |
| Recorded Date    | Mar 03, 1992     | Multiple/Portion |  |
| Title Company    |                  |                  |  |

**Ownership Transfer Information**

|                |            |                  |        |
|----------------|------------|------------------|--------|
| Seller         |            | Transaction Type | Resale |
| Transfer Value |            | Deed Type        |        |
| Document #     | 0000350534 |                  |        |

**Loan Information**

|             |            |                    |            |
|-------------|------------|--------------------|------------|
| Loan Amount |            | Loan Type          | Suppressed |
| Document #  | 0000350534 | Interest Rate Type | Suppressed |
|             |            | Seller Carry Back  | Suppressed |

Lender Name

JONES DAY REAVIS

**Transaction 1 - Finance**

**Transaction Information**

|                  |                  |                  |  |
|------------------|------------------|------------------|--|
| Buyer / Borrower | 1157 ECHO PARK I | Signature Date   |  |
| Recorded Date    | Feb 05, 1992     | Multiple/Portion |  |
| Title Company    |                  |                  |  |

**Loan Information**

|             |            |                    |            |
|-------------|------------|--------------------|------------|
| Loan Amount | \$325,000  | Loan Type          | Suppressed |
| Document #  | 0000197345 | Interest Rate Type | Suppressed |
|             |            | Seller Carry Back  | Suppressed |

Lender Name

INDIVIDUAL

**Legend**

 Real Estate Owned (REO) transaction

 Short Sale

 Transaction suspected to have led to NOD or NOT

 Unusually large change in price

 Multiple sales within a 30 day period

Owner  
ECHO COMPLEX INC

Address  
1157 ECHO PARK AVE LOS ANGELES , CA 90026

Parcel/Tax ID  
5404-018-001

**Sales Comparables - One Line**

| Search Parameters    |                       |                 |                 |
|----------------------|-----------------------|-----------------|-----------------|
| Search Method:       | Radius 1.00 mile(s)   | Search Logic:   | Default         |
| Distressed:          | Include Distressed    | Use Codes:      | Same as Target: |
| Sale Date:           | 7/18/2011 - 1/18/2012 | Sale Value:     |                 |
| Square Footage:      |                       | Bedrooms:       | -               |
| Bathrooms:           | NaN - NaN             | Lot Size:       |                 |
| Number of Units:     | -                     | Year Built:     |                 |
| Same City as Target: | Yes                   | Owner Occupied: | Unknown or All  |
| Full Sales Only:     | Yes                   | Pool?:          | Unknown or All  |

| Dist.   | Owner Name       | Site Address                                 | Sale Amount<br>Sale Date<br>Doc #            | YR Blt<br>Lot Size<br>Pool              | Beds/Baths<br>SQ FT | Parcel #<br>Assessed Value<br>Standard Use Code                           |
|---|------------------|--|--|---|---------------------|---|
| <b>Target Property</b>  |                  |  |  |   |                     |   |
|   | ECHO COMPLEX INC | 1157 ECHO PARK AVE<br>LOS ANGELES , CA 90026 | \$850,000<br>Oct 05, 2000<br>0001567049      | 1924<br>6,869                           | 18,960              | 5404-018-001<br>\$1,058,877<br>Commercial miscellaneous                   |
| <b>Sales Comparables</b>  |                  |  |  |   |                     |   |
| 1.<br> | 0.72<br>Miles    | PETERS,FRANK S                               | 1830 ECHO PARK AVE<br>LOS ANGELES , CA 90026 | \$622,500<br>Sep 02, 2011<br>0001197494 | 1913<br>6,130       | 3 / 1<br>2,194<br>5420-030-028<br>\$527,131<br>Commercial miscellaneous   |
| 2.<br> | 0.94<br>Miles    | PAREDES,ELAINE TRUST                         | 1840 GLENDALE BLVD<br>LOS ANGELES , CA 90026 | \$925,000<br>Oct 17, 2011<br>0001398508 | 1912<br>6,606       | 1 / 3<br>8,854<br>5423-001-006<br>\$1,307,186<br>Commercial miscellaneous |

**Market Analysis**

|                       | Low       | Average   | High        | Comps |
|-----------------------|-----------|-----------|-------------|-------|
| Distance From Subject | 0.72      | 0.83      | 0.94        | 2     |
| Sale Amount           | \$622,500 | \$773,750 | \$925,000   | 2     |
| Assessed Value        | \$527,131 | \$917,159 | \$1,307,186 | 2     |
| Cost/SF               | \$104.47  | \$194.10  | \$283.73    | 2     |
| Square Feet           | 2,194     | 5,524     | 8,854       | 2     |
| Lot Size              | 6,130     | 6,368     | 6,606       | 2     |
| Year Built            | 1912      | 1913      | 1913        | 2     |
| # Bedrooms            | 1.0       | 2.0       | 3.0         | 2     |
| # Baths               | 1.0       | 2.0       | 3.0         | 2     |
| # Units               | 1         | 1         | 1           | 2     |

Owner  
ECHO COMPLEX INC

Address  
1157 ECHO PARK AVE LOS ANGELES , CA 90026

Parcel/Tax ID  
5404-018-001

 **Nearby Homeowners**

**1) ECHO COMPLEX INC**  
**1157 ECHO PARK AVE** Bedrooms:  
**LOS ANGELES, CA 90026** Bathrooms:  
Parcel/Tax ID: 5404-018-001 Year Built: 1924  
Parking: Lot Size: 6,869  
Sale Date: Oct 05, 2000 Sale Amt: \$850,000  
Square Feet: 18,960 Cost/SqFt: \$45

**2) GONZALEZ,ALBERTO A**  
**1150 ECHO PARK AVE** Bedrooms: 5  
**LOS ANGELES, CA 90026** Bathrooms: 2  
Parcel/Tax ID: 5404-020-008 Year Built: 1907  
Parking: Lot Size: 3,043  
Sale Date: Oct 29, 1969 Sale Amt: \$9,000  
Square Feet: 1,852 Cost/SqFt: \$5

**3) PARK,ED H**  
**1144 ECHO PARK AVE** Bedrooms: 4  
**LOS ANGELES, CA 90026** Bathrooms: 4  
Parcel/Tax ID: 5404-020-018 Year Built: 1910  
Parking: Lot Size: 3,722  
Sale Date: Sale Amt:  
Square Feet: 3,330 Cost/SqFt:

**4) 1141 ECHO PARK LLC**  
**1141 ECHO PARK AVE** Bedrooms:  
**LOS ANGELES, CA 90026** Bathrooms: 20  
Parcel/Tax ID: 5404-018-004 Year Built: 1928  
Parking: Lot Size: 7,501  
Sale Date: Apr 23, 2010 Sale Amt: \$1,535,000  
Square Feet: 12,048 Cost/SqFt: \$127

**5) CHEUNG FAMILY TRUST**  
**1140 ECHO PARK AVE** Bedrooms: 10  
**LOS ANGELES, CA 90026** Bathrooms: 5  
Parcel/Tax ID: 5404-020-011 Year Built: 1988  
Parking: Lot Size: 7,520  
Sale Date: Jan 19, 1977 Sale Amt: \$25,772  
Square Feet: 3,874 Cost/SqFt: \$7

**6) NEMES,MORDECHAI**  
**1135 ECHO PARK AVE** Bedrooms: 4  
**LOS ANGELES, CA 90026** Bathrooms: 5  
Parcel/Tax ID: 5404-018-005 Year Built: 1907  
Parking: Lot Size: 7,500  
Sale Date: Oct 28, 2011 Sale Amt: \$677,000  
Square Feet: 3,388 Cost/SqFt: \$200

**7) MORALES,RUBEN & MARGARITA TR**  
**1134 ECHO PARK AVE** Bedrooms: 2  
**LOS ANGELES, CA 90026** Bathrooms: 1  
Parcel/Tax ID: 5404-020-012 Year Built: 1909  
Parking: Lot Size: 3,656  
Sale Date: Sep 09, 2002 Sale Amt: \$170,000  
Square Feet: 940 Cost/SqFt: \$181

**8) SCHWANZARA,MARIA C**  
**1131 ECHO PARK AVE** Bedrooms: 4  
**LOS ANGELES, CA 90026** Bathrooms: 2  
Parcel/Tax ID: 5404-018-006 Year Built: 1911  
Parking: Lot Size: 7,500  
Sale Date: Oct 07, 1980 Sale Amt:  
Square Feet: 2,080 Cost/SqFt:

**9) INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL**  
**1127 ECHO PARK AVE** Bedrooms: 6  
**LOS ANGELES, CA 90026** Bathrooms: 5  
Parcel/Tax ID: 5404-018-029 Year Built: 1917  
Parking: Lot Size: 7,499  
Sale Date: Dec 03, 2003 Sale Amt:  
Square Feet: 5,472 Cost/SqFt:

**10) WINDISH,THOMAS E**  
**1124 ECHO PARK AVE** Bedrooms:  
**LOS ANGELES, CA 90026** Bathrooms:  
Parcel/Tax ID: 5404-020-015 Year Built: 0  
Parking: Lot Size: 4,115  
Sale Date: Apr 29, 2011 Sale Amt: \$679,000  
Square Feet: Cost/SqFt:

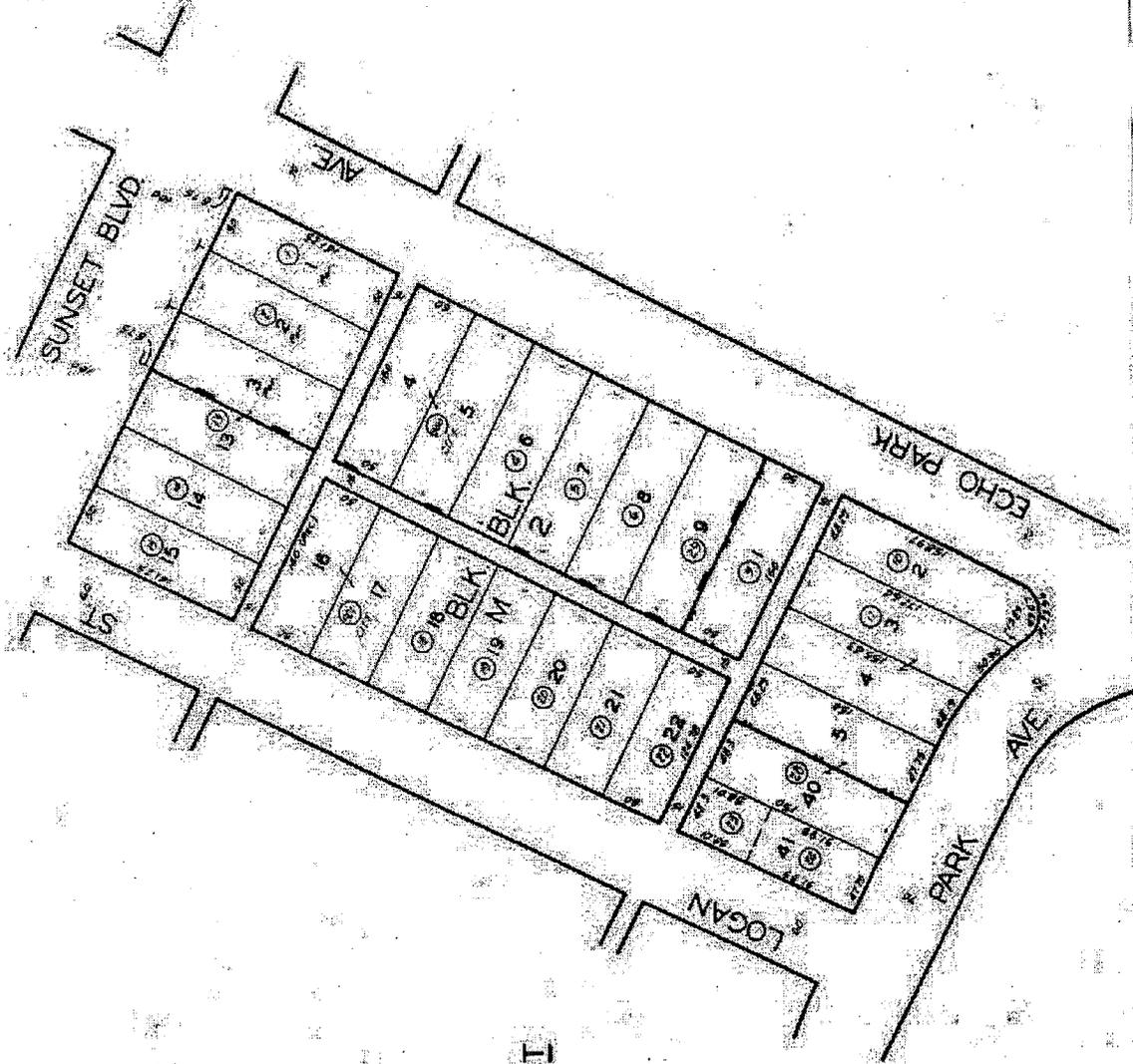
**11) INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL**  
**1121 ECHO PARK AVE** Bedrooms: 4  
**LOS ANGELES, CA 90026** Bathrooms: 4  
Parcel/Tax ID: 5404-018-009 Year Built: 1916  
Parking: Lot Size: 7,499  
Sale Date: Jan 30, 2004 Sale Amt:  
Square Feet: 4,326 Cost/SqFt:

**12) FORD,ROBERT L**  
**1120 ECHO PARK AVE #4** Bedrooms: 4  
**LOS ANGELES, CA 90026** Bathrooms: 4  
Parcel/Tax ID: 5404-020-017 Year Built: 1911  
Parking: Lot Size: 7,514  
Sale Date: Aug 12, 2003 Sale Amt: \$775,000  
Square Feet: 4,286 Cost/SqFt: \$181

**13) PIECHOCKI,EDWARD B**  
**1114 ECHO PARK AVE** Bedrooms: 2  
**LOS ANGELES, CA 90026** Bathrooms: 1  
Parcel/Tax ID: 5404-019-002 Year Built: 1921  
Parking: 1 in Garage Lot Size: 4,513  
Sale Date: Mar 11, 2003 Sale Amt: \$291,000  
Square Feet: 868 Cost/SqFt: \$335

REVISED  
5/77-82  
2-80-82  
4-78-82  
3-79-82

74-75-84  
582226



MONTANA TRACT  
M.R. 17-99-100

SOUTH PART OF  
THE MONTANA TRACT  
M.R. 13-73

TRACT NO. 3436  
M.B. 41-56

5404 18  
SCALE = 80'

CODE  
13

FOR CITY ASSMT. SEE 504 - 23 & 41

**FIRST AMERICAN TITLE, 1RV, AD09** **LOS ANGELES, CA**  
 01/18/2012 03:58PM A93Z PAGE 1 OF 2  
**LOS ANGELES 2011-12 TAX ROLL** **ORDER SEARCH RESULTS**  
**ORDER: 0000000** **TOF: 00**

**PAYMENTS AS OF 01/09/2012**  
**SEARCH PARAMETERS**

**ENTERED APN:** 5404-018-001

**APN: 5404-018-001**

**TRA:** 00013 - CITY OF LOS ANGELES - 44 **ACQ DATE:** 10/18/2000  
**LEGAL:** LOT/SECT 1 BLK/DIV/TWN 2 SOUTH PART OF THE MONTANA TRACT EX OF ST  
**SITUS:** 1157 ECHO PARK AVE LOS ANGELES CA 90026  
**MAIL:** 4056 W 7TH ST LOS ANGELES CA 90005

| ASSESSED OWNER(S) | 2011-12 ASSESSED VALUES |  |                  |
|-------------------|-------------------------|--|------------------|
| ECHO COMPLEX INC  | LAND                    |  | 497,859          |
|                   | IMPROVEMENTS            |  | 561,018          |
|                   | TAXABLE                 |  | <b>1,058,877</b> |

| 2011-12 TAXES | 1ST INST   | 2ND INST | TOTAL TAX       |
|---------------|------------|----------|-----------------|
| STATUS        | PAID       | OPEN     |                 |
| PAYMENT DATE  | 11/23/2011 |          |                 |
| INSTALLMENT   | 7,304.10   | 7,304.10 | 14,608.20       |
| PENALTY       | 730.41     | 740.41   | 1,470.82        |
| BALANCE DUE   | .00        | 7,304.10 | <b>7,304.10</b> |

**WARNINGS AND/OR COMMENTS**

\*\* NO BONDS OR PRIOR YEAR DELQ TAXES \*\*

| ASSESSMENT DETAIL |                   |          |                                 |
|-------------------|-------------------|----------|---------------------------------|
| ACCT #            | TYPE              | AMOUNT   | DESCRIPTION OF ASSESSMENT(S)    |
| 001.70            | TRAUMA/EMERG      | 756.50   | LA COUNTY TRAUMA/EMERGENCY SVCS |
| 188.71            | CITY 911 FUND     | 173.24   | L.A. POLICE/911 BOND TAX        |
| 188.51            | CITY LIGHT MAINT  | 156.75   | LOS ANGELES LIGHT MAINT         |
| 036.92            | LA-CO PARK DIST   | 104.59   | LA CO PARK DISTRICT             |
| 188.50            | CITY LDSC/LT 96-1 | 97.76    | LA CITY LDSCP & LIGHT DIST 96-1 |
| 030.71            | FLOOD CONTROL     | 66.66    | L.A. COUNTY FLOOD CONTROL       |
| 188.69            | CITY STORMWATER   | 53.15    | L.A. STORMWATER POLL ABATE      |
| 061.81            | MOSQUITO ABATE    | 7.55     | SOUTHEAST MOSQ ABATE            |
|                   |                   | 1,416.20 | TOTAL OF SPECIAL ASSESSMENTS    |

**ADDITIONAL PROPERTY INFORMATION**

**REGION #:** 25 **USE CODE:** 1210 **ZONE:** LAC2  
**SQ FEET:** **YR-BLT:**

**CONDITIONS, DISCLAIMERS AND EXCLUSIONS**

This Tax Certificate/Tax Order Report does not constitute a report on or certification of: (1) mineral (productive and/or non-productive) taxes or leases; (2) personal property taxes; or (3) other non ad valorem taxes (such as paving liens, stand-by charges or maintenance assessments).

FIRST AMERICAN TITLE, 1RV,  
AD09

LOS ANGELES, CA

01/18/2012 03:58PM A93Z

PAGE 2 OF 2

LOS ANGELES 2011-12 TAX ROLL

ORDER SEARCH RESULTS

ORDER: 0000000

TOF: 00

Data Trace Information Services LLC ("Data Trace") may have warranted the accuracy of this Tax Certificate/Tax Order Report to its customer (the "Data Trace Customer") pursuant to the terms and conditions of a written tax service agreement between Data Trace and said Data Trace Customer (the "Tax Service Agreement"). Any such warranty (hereinafter, "Data Trace Customer Warranty") does not: (a) extend to a third party bearer of this Tax Certificate/Tax Order Report; (b) cover any changes made to the records of the taxing authority after the "payments as of," "paid," or "payment" dates delineated above; and (c) cover any invalid tax information shown on the records of the taxing authority or resulting from an error by the Data Trace Customer (including, without limitation, submission of incorrect property information by said Data Trace Customer). DATA TRACE MAKES NO WARRANTIES (EXPRESS OR IMPLIED) WITH RESPECT TO THIS TAX CERTIFICATE/TAX ORDER REPORT OTHER THAN (WHERE APPLICABLE) THE DATA TRACE CUSTOMER WARRANTY. Any and all claims under a Data Trace Customer Warranty must be submitted to Data Trace by the corresponding Data Trace Customer and are subject to the terms and conditions set forth in the pertinent Tax Service Agreement (including, without limitation, the filing deadlines applicable to such claims). In some jurisdictions Data Trace's validation of a Tax Certificate/Tax Order Report is required to activate a Data Trace Customer Warranty.

END OF SEARCH



00-1567049

RECORDED/FILED IN OFFICIAL RECORDS  
RECORDER'S OFFICE  
LOS ANGELES COUNTY  
CALIFORNIA  
1:01 PM OCT 05 2000

SPACE ABOVE THIS LINE FOR RECORDERS USE

TITLE(S)

*Deed*

FEE

FEE \$13 FF  
3

D.T.T.

*935-*

*3,500-*

CODE  
20

CODE  
19

CODE  
9

NOTIFICATION SENT-\$4 ©

Assessor's Identification Number (AIN)

To Be Completed By Examiner OR Title Company In Black Ink

Number of Parcels Shown

*5404-018 001*

*001*

THIS FORM IS NOT TO BE DUPLICATED

*Comment*

RECORDING REQUESTED BY

**00-1567049** 2

Escrow No. 109945-030  
Title Order No. 1921522-5

---

WHEN RECORDED MAIL TO

NAME Mr. and Mrs. Kyung Jae Yi  
Street Address 1600 W. Sunset Blvd.  
City & State Los Angeles, CA 90026

---

MAIL TAX STATEMENTS TO

NAME Same as above  
Street Address Same as above  
City & State

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DOCUMENTARY TRANSFER TAX \$ 935.00 LA CNTY 80  
\$ 3825.00 LA CITY 44

----- Computed on full value of property conveyed  
----- Or computed on full value less liens and encumbrances remaining at time of sale.

WILSHIRE ESCROW COMPANY

Signature of Declarant or Agent determining tax. Firm name

A.P.N. # 5404 18 1

## Grant Deed

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,  
1157 ECHO PARK, INC., A CALIFORNIA CORPORATION

, do hereby

GRANT to KYUNG JAE YI AND SONG SUK YI, HUSBAND AND WIFE, AS JOINT TENANTS

the real property in the CITY OF LOS ANGELES County of LOS ANGELES  
State of California, described as:

LOT 1 IN BLOCK 2 SOUTH PART OF MONTANA TRACT, IN THE CITY OF LOS ANGELES,  
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 13,  
PAGE 73, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

Except the interest in the North 8.75 feet of said land which was conveyed  
to the City of Los Angeles for public road and highway purposes, recorded  
in Book 1027, Page 276 of Deeds.

Subject to:  
All general and special City and County taxes for the fiscal year  
2000-2001, a lien not yet due and payable.

NO. 22 - (REV. 9/94)

Escrow No. 109945-030/ Grant Deed / Page One of Two (Los Angeles County)

00-1567049 3

Property also known as: 1600 Sunset Blvd., Los Angeles, CA

DATED: SEPTEMBER 21, 2000

STATE OF CALIFORNIA  
COUNTY OF Los Angeles ) SS:  
On September 21, 2000  
before me, the undersigned, a Notary Public in and for  
said state, personally appeared Milton Chortkoff

1157 ECHO PARK, INC., A CALIFORNIA  
CORPORATION

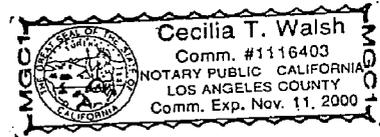
By Milton Chortkoff  
Milton Chortkoff, President

By: Burton Chortkoff, Esq.  
Burton Chortkoff, Secretary-Treasurer

~~personally known to me~~ (or proved to me on the basis of  
satisfactory evidence) to be the person(s) whose  
name(s) ~~is/are~~ subscribed to the within instrument and  
acknowledged to me that he/~~she/they~~ executed the  
same in his/~~her/their~~ authorized capacity(ies), and that  
by his/~~her/their~~ signature(s) on the instrument the  
person(s), or the entity upon behalf of which the  
person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Cecilia T. Walsh  
Cecilia T. Walsh  
Name (Typed or Printed)



(This area for official notarial seal)

(Rev. 9/94)

Escrow No. 109945-030 / Grant Deed / Page Two of Two (Los Angeles County)

STATE OF CALIFORNIA )  
 )SS.  
COUNTY OF *Santa Barbara*

00-1567049

4

On this *25<sup>th</sup>* day of *September*, in the year 2000, before me, the undersigned, a Notary Public in and for said County and State, personally appeared \*\*\*\* BURTON CHORTKOFF \*\*\*, personally known to me (~~or proved to me on the basis of satisfactory evidence~~) to be the person(~~s~~) whose name is/~~are~~ subscribed to this instrument, and acknowledged to me that he/~~she~~/~~they~~ executed the same in his/~~her~~/~~their~~ authorized capacity(~~ies~~), and that by his/~~her~~/~~their~~ signature(~~s~~) on the instrument the person(~~s~~), or the entity upon behalf of which the person(~~s~~) acted, executed the instrument.

WITNESS my hand and official seal.

*Sharon Martin Trotter*  
Notary Public in and for said County and State

*SHARON MARTIN TROTTER*  
Name (Typed or Printed)





LEAD SHEET

00-1567050

RECORDED/FILED IN OFFICIAL RECORDS  
RECORDER'S OFFICE  
LOS ANGELES COUNTY  
CALIFORNIA  
1:01 PM OCT 05 2000

SPACE ABOVE THIS LINE FOR RECORDERS USE

TITLE(S)

FEE

FEE \$ 26 FF S  
2T

D.T.T.

CODE  
20

D.A. FEE Code 20 \$ 4.00

CODE  
19

CODE  
9

NOTIFICATION SENT - \$4 ©

Assessor's Identification Number (AIN)

To Be Completed By Examiner OR Title Company In Black Ink

Number of Parcels Shown

[Empty grid for AIN and parcels]

THIS FORM IS NOT TO BE DUPLICATED

RECORDING REQUESTED BY

*Commons*

00-1567050 *2*

WHEN RECORDED MAIL TO

1157 Echo Park, Inc.  
4021 West Alameda Avenue  
Burbank, CA 91505

ORDER NO: 1921522-5  
ESCROW NO: 109945-030  
APN: 5404 18 1 *19215225*

### Deed of Trust and Assignment of Rents (Short Form)

This DEED OF TRUST, Made this 3rd day of October, 2000, between

KYUNG JAE YI AND SONG SUK YI, HUSBAND AND WIFE, AS JOINT TENANTS

, herein called TRUSTOR,

whose address is

(Number and Street) (City) (State) (Zip)

WILSHIRE ESCROW COMPANY, a California corporation, 4270 Wilshire Boulevard, Los Angeles, California 90010, herein called TRUSTEE, and

1157 ECHO PARK, INC. A CALIFORNIA CORPORATION,

, herein called BENEFICIARY,

WITNESSETH: That Trustor irrevocably grants, transfers and assigns to Trustee in trust, with Power of Sale, that real property in the State of California, County of Los Angeles, described as:

LOT 1 IN BLOCK 2 SOUTH PART OF MONTANA TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 13, PAGE 73, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

IF THE TRUSTOR OR HIS SUCCESSORS IN INTEREST, SHALL SELL, CONVEY OR ALIENATE THE PROPERTY DESCRIBED HEREIN, IN ANY MANNER OR WAY, WHETHER VOLUNTARY OR INVOLUNTARY, ANY INDEBTEDNESS OR OBLIGATION SECURED HEREBY, AT THE OPTION OF THE HOLDER HEREOF, AND WITHOUT DEMAND OR NOTICE, SHALL IMMEDIATELY BECOME DUE AND PAYABLE.

TOGETHER with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits.

FOR THE PURPOSE OF SECURING:

1. Payment of the indebtedness evidenced by one promissory note of even date herewith executed by Trustor in favor of Beneficiary or order in the principal sum of \$ 510,000.00
2. Performance of each agreement of Trustor contained herein or incorporated by reference.

(REV. 9/94)

Escrow No. 109945-030 / Trust Deed / Page One of Two (Los Angeles County)

*5404-018-001*

*↓*

00-1567050

DO NOT RECORD

The following is a copy of Subdivision A and B of that certain Deed of Trust recorded in Book T2207, Page 303 of Official Records, in the office of the Recorder of Los Angeles County.

3

A. TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES:

(1) To keep said property in good condition and repair, not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations not excluding the general.

(2) To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.

(4) To pay, at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all incumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses for this Trust.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make and do the same in such manner and to such extent as either may deem necessary to protect the security hereof. Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any incumbrance, charge or lien which in the judgement of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

(5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

B. IT IS MUTUALLY AGREED THAT:

(1) That any award of damages in connection with any condemnation for public use or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

(2) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

(3) That at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary, and presentation of this Deed and said note for endorsement, and without affecting the liability of any person for payment of the indebtedness secured hereby, Trustee may reconvey any part of said property; consent to the making of any map or plot thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge thereof.

(4) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto." Five years after issuance of such full reconveyance, Trustee may destroy said note and this Deed (unless directed in such request to retain them).

(5) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of any said property or any part thereof, in his own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property; the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(6) That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default

and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recording of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

(7) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee, predecessor, succeed to all its titles, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

(8) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the note secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

(9) That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law, Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a part unless brought by Trustee.

Signature of Trustor

Signature of Trustor

00-1567050

4

A. To protect the security of this Deed of Trust, and with respect to the real property above described, Trustor expressly makes each and all the agreements, and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A of that certain Deed of Trust recorded in Book T2207, Page 303, of Official records, in the office of the Recorder of Los Angeles County, California, which Subdivision A is, and said agreements, terms and provisions are, by this reference thereto, incorporated herein and made a part of this Deed of Trust for all purposes as fully as if set forth at length herein.

B. It is mutually agreed that each and all of the terms and provisions set forth in Subdivision B of said Deed of Trust recorded in said Book T2207, Page 303, of Official Records, in the office of the Recorder of Los Angeles County, California are, and said Subdivision B is, by this reference thereto, incorporated herein and made a part of this Deed of Trust for all purposes as fully as if set forth at length herein, and said Subdivision B and each and all of the terms and provisions thereof shall inure to and bind the parties hereto, with respect to the real property above described.

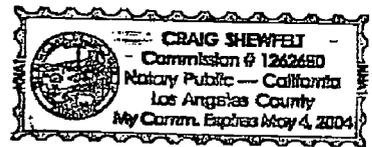
C. The Undersigned Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to him at his address hereinbefore set forth. For any statement regarding the obligations secured hereby, Beneficiary may charge the maximum amount permitted by law at the time of the request therefor.

STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES ) SS:  
On October 4, 2000  
before me, the undersigned, a Notary Public in and for  
said state, personally appeared Kyung Jae Yi  
and Song Suk Yi

*[Handwritten Signature]*  
\_\_\_\_\_  
KYUNG JAE YI  
*[Handwritten Signature]*  
\_\_\_\_\_  
SONG SUK YI

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.  
WITNESS my hand and official seal

Signature *[Handwritten Signature]*  
\_\_\_\_\_  
Craig Sheyfelt  
Name (Typed or Printed)



(This area for official notarial seal)

Escrow No. 109945-030 / Trust Deed / Page Two of Two (Los Angeles County)

DO NOT RECORD

00-1567050

REQUEST FOR FULL RECONVEYANCE  
To be used only when note has been paid.

5

TO WILSHIRE ESCROW COMPANY, TRUSTEE

DATED: ..... 19 .....

The undersigned is the legal owner and holder of all indebtedness secured by the within Deed of Trust. All sums secured by said Deed of Trust have been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust; to cancel all evidences of indebtedness, secured by said Deed of Trust, delivered to you herewith together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, the estate now held by you under the same.

MAIL RECONVEYANCE TO:

[Empty box for mailing address]

\_\_\_\_\_  
\_\_\_\_\_

Do not lose or destroy this Deed of Trust OR THE NOTE which it secured. Both must be delivered to the trustee for cancellation before reconveyance will be made.

Instrument No .....  
Title Order No .....  
Escrow or Loan No .....  
Recorded at the request of:

WHEN RECORDED MAIL TO

Trust Deed  
and Assignment of Rents  
with Power of Sale



**WILSHIRE ESCROW**  
**W**  
**C O M P A N Y**  
a corporation

4270 Wilshire Boulevard, Post Office Box 75427  
Los Angeles, California 90010  
(323) 935-3530 • FAX (323) 935-4805 • FAX (323) 938-8927

6

00-1567050

ILLEGIBLE NOTARY SEAL DECLARATION

GOVERNMENT CODE 27361.7

I certify under penalty of perjury that the notary seal on the document to which this statement is attached reads as follows:

Name of Notary Craig shew felt

Date Commission Expires 5-4-2004

Notary Identification Number 1262650  
(For Notaries commissioned after 1-1-1992)

Manufacturer/Vendor Identification Number NWAS  
(For Notaries commissioned after 1-1-1992)

Place of Execution of this Declaration NEWARK

Date 10-5-00

  
\_\_\_\_\_  
Signature (Firm name if any)

R747 1/92



00 1626970

RECORDED/FILED IN OFFICIAL RECORDS  
RECORDER'S OFFICE  
LOS ANGELES COUNTY  
CALIFORNIA  
1:01 PM OCT 18 2000

SPACE ABOVE THIS LINE FOR RECORDERS USE

TITLE(S)

*Deed*

FEE

|             |    |
|-------------|----|
| FEE \$30    | FF |
| A.F.N.F. 94 | 2  |

D.I.T.

CODE  
20

CODE  
19

CODE  
9

Assessor's Identification Number (AIN)

To Be Completed By Examiner OR Title Company In Black Ink

Number of Parcels Shown

*5404 018 001*

*001*

THIS FORM IS NOT TO BE DUPLICATED

2

RECORDING REQUESTED BY:

AND WHEN RECORDED MAIL TO:

ECHO COMPLEX INC.,  
4056 W. 7TH STREET  
LOS ANGELES, CA 90005

00 1626970

THIS SPACE FOR RECORDER'S USE ONLY:

**INDIVIDUAL GRANT DEED**

THE UNDERSIGNED GRANTOR(S) DECLARE(S)  
DOCUMENTARY TRANSFER TAX is \$ N/A CITY TRANSFER TAX is \$N/A  
 computed on full value of property conveyed, or  
 computed on full value less value of liens or encumbrances remaining at time of sale.  
 Unincorporated area  City of LOS ANGELES, AND

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

**KYUNG JAE YI AND SONG SUK YI, HUSBAND AND WIFE AS JOINT TENANTS.**

hereby GRANT(s) to:

**ECHO COMPLEX INC.,**

the real property in the city of LOS ANGELES, County of , State of California, described as:  
**LEGAL DESCRIPTION ATTACHED HERETO AS EXHIBIT A AND MADE A PART HEREOF**

ALSO KNOWN AS: 1600 W. SUNSET BLVD., LOS ANGELES, CALIF.  
A.P. # 5404-018-001

"THE GRANTORS AND THE GRANTEES IN THIS CONVEYANCE ARE COMPRISED OF THE SAME PARTIES WHO CONTINUE TO HOLD THE SAME PROPORTIONAL INTEREST IN THE PROPERTY, R&T 11923(D)."

DATED October 12, 2000  
STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES  
On OCTOBER 12, 2000  
before me, JUNG HYUN LEE  
a Notary Public in and for said State, personally appeared

*[Signature]*  
\_\_\_\_\_  
KYUNG JAE YI  
*[Signature]*  
\_\_\_\_\_  
SONG SUK YI

**KYUNG JAE YI AND SONG SUK YI**

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/sha/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.  
WITNESS my hand and official seal.



Signature *[Signature]*

(This area for official notarial seal)

Mail tax statements to: ECHO COMPLEX INC., 4056 W. W 7TH STREET, LOS ANGELES, CALIF. 90005

00 1626970 3

EXHIBIT A

LOT 1 IN BLOCK 2 SOUTH PART OF MONTANA TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 13, PAGE 73, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE INTEREST IN THE NORTH 8.75 FEET OF SAID LAND WHICH WAS CONVEYED TO THE CITY OF LOS ANGELES FOR PUBLIC ROAD AND HIGHWAY PURPOSES, RECORDED IN BOOK 1027, PAGE 276 OF DEEDS.

# EXHIBIT 3



SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

# PERMIT to OPERATE

M 30650

9150 FLAIR DRIVE, EL MONTE, CALIFORNIA 91731

Operation under this permit must be conducted in compliance with all information included with the initial application and the initial permit conditions. The equipment must be properly maintained and kept in good operating condition at all times. In accordance with Rule 206, this Permit to Operate or copy must be posted on or within 8 meters of equipment.

LEGAL OWNER  
OR OPERATOR: HOLLYWAY CLEANERS AND LAUNDRY CO., INC.  
1159 ECHO PARK AVENUE  
LOS ANGELES, CALIFORNIA 90026

APPL. NO. C-39385  
PREVIOUS PERMIT NO. P-63262

EQUIPMENT  
LOCATED AT:

EQUIPMENT DESCRIPTION AND CONDITIONS:

- SYNTHETIC SOLVENT DRY CLEANING FACILITY CONSISTING OF:
- A. DRY CLEANING SYSTEM.
    1. DRY CLEANING UNIT, DETREX, MODEL 15-10H, SERIAL NO. 217.
    2. FILTER, KLEENRITE, MODEL 4H-24.
    3. MUCK COOKER, PER CORP. MODEL LAF-4000.

PAGE 1 OF 2 PAGES

This initial permit must be renewed by 08/16/83 unless the equipment is moved, or changes ownership. If billing for annual renewal fee (Rule 301 f) not received by expiration date, contact office above.

This permit does not authorize the emission of air contaminants in excess of those allowed by Division 26 of the Health and Safety Code of the State of California or the Rules of the Air Quality Management District. This permit cannot be considered as permission to violate existing laws, ordinances, regulations or statutes of other government agencies.

EXECUTIVE OFFICER

BY VIRGINIA MOY *[Signature]*

DATE 05/10/83

XXXXXXXXXX

VOID UNLESS VALIDATED

76P235M-REV. 2-81

FILE COPY

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT  
M 30650

CONTINUATION OF PERMIT NO. \_\_\_\_\_  
(MUST BE DISPLAYED WITH PERMIT)

B. AIR POLLUTION CONTROL SYSTEM.

1. VAPOR CONDENSER, KLEENRITE, MODEL KR-II, SERIAL NO. KRVC-719.
2. EXHAUST SYSTEM VENTING A MAXIMUM OF ONE INDIVIDUAL DRY CLEANING EQUIPMENT SOURCE.

-CONDITIONS-

1. A TEMPERATURE GAUGE WITH A MINIMUM RANGE FROM 0°F TO 150°F MUST BE INSTALLED IN THE OUTLET DUCT OF THE CONDENSER.
2. THE REFRIGERATION CONDENSER ON THE DRY-TO-DRY UNIT MUST BE OPERATED DURING THE CLOSED LOOP COOL-DOWN PERIOD UNTIL AN AIR TEMPERATURE FROM THE CONDENSER OUTLET IS 45°F. OR LOWER.

APPL. NO. C-39385

PAGE 2 OF 2 PAGES

# EXHIBIT 4



## Facility Information Detail (FIND)

[Search Again](#) | [Search Results](#) | [Facility Details](#) | [Equipment List](#) | [Compliance](#) | [Emissions](#) | [Hearing Board](#)

### Application Details

Application/Tracking Number      331489

#### Facility Information

Business Name      HOLLYWAY CLEANERS, ZARE SARKISSIAN, DBA

|                           |                           |
|---------------------------|---------------------------|
| Facility ID <u>113450</u> | Facility Status      SOLD |
|---------------------------|---------------------------|

#### Application Information

|   |                                     |
|---|-------------------------------------|
| Application Type      Change of Ownership | Application Received      8/22/1997 |
|---|-------------------------------------|

|   |                             |
|---|-----------------------------|
| Application Status      PERMIT TO OPERATE GRANTED | Application Deemed Complete |
|---|-----------------------------|

Equipment Desc      DRY CLEANING, DRY-TO-DRY NON-VENT, PERC

|                          |                             |
|--------------------------|-----------------------------|
| Permit Number      F9204 | Permit Status      INACTIVE |
|--------------------------|-----------------------------|

#### Engineer Information

Engineer Assigned

|                |                      |
|----------------|----------------------|
| Engineer Phone | Team Assigned      N |
|----------------|----------------------|

---

[Home](#) | [Employment](#) | [Contact Us](#) | [Terms & Conditions](#) | [Privacy](#) | [Website Navigation Tips](#) | [Question or Need Info?](#) | [Report Website Problem](#)  
 21865 Copley Dr, Diamond Bar, CA 91765 - (909) 396-2000 - (800) CUT-SMOG (288-7664)



SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT  
21865 East Copley Drive, Diamond Bar, CA 91765

**PERMIT TO CONSTRUCT/OPERATE**

page 1  
Permit No.  
F52761  
AVN 402309

This initial permit must be renewed ANNUALLY unless the equipment is moved, or changes ownership.  
If the billing for annual renewal fee (Rule 301.f) is not received by the expiration date, contact the District.

LEGAL OWNER  
OR OPERATOR:

HOLLYWAY CLEANERS, ZARE SARKISSIAN, DBA  
1159 ECHO PARK AVE  
LOS ANGELES, CA 90026-4212

ID 113450

Equipment Location: 1159 ECHO PARK AVE, LOS ANGELES, CA 90026-4212

Equipment Description:

SYNTHETIC SOLVENT DRY CLEANING UNIT, PERCHLOROETHYLENE, LINDUS, MODEL NO. ML45, WITH  
A BUILT-IN REFRIGERATED VAPOR CONDENSER AND A SECONDARY CONTROL SYSTEM.

Conditions:

- 1) OPERATION OF THIS EQUIPMENT SHALL BE CONDUCTED IN ACCORDANCE WITH ALL DATA AND SPECIFICATIONS SUBMITTED WITH THE APPLICATION UNDER WHICH THIS PERMIT IS ISSUED UNLESS OTHERWISE NOTED BELOW.
- 2) THIS EQUIPMENT SHALL BE PROPERLY MAINTAINED AND KEPT IN GOOD OPERATING CONDITION AT ALL TIMES.
- 3) THE TOTAL QUANTITY OF SOLVENT THAT IS REPLENISHED IN THIS DRY CLEANING UNIT SHALL NOT EXCEED 35 GALLONS PER MONTH.
- 4) A TEMPERATURE GAUGE WITH A MINIMUM RANGE OF 0 TO 150 DEGREES FAHRENHEIT SHALL BE INSTALLED AT THE OUTLET DUCT OF THE CONDENSER.
- 5) THE REFRIGERATED CONDENSER ON THE DRY-TO DRY UNIT SHALL BE OPERATED DURING THIS CLOSED LOOP COOL-DOWN PERIOD UNTIL THE AIR TEMPERATURE FROM THE CONDENSER OUTLET IS 45 DEGREES FAHRENHEIT OR LOWER.
- 6) COMPLETE RECORDS OF PERCHLOROETHYLENE USED MONTHLY SHALL BE PREPARED AND KEPT FOR AT LEAST TWO YEARS OR AS LONG AS THE NEXT INSPECTION WHICHEVER IS LONGER. THE RECORDS SHALL BE MADE AVAILABLE TO SCAQMD PERSONNEL UPON REQUEST.
- 7) ALL WASTE MATERIALS WHICH HAS COME INTO CONTACT WITH PERCHLOROETHYLENE SHALL BE DISPOSED OF AS HAZARDOUS WASTE.
- 8) THIS EQUIPMENT SHALL COMPLY WITH RULE 1421.

**FILE COPY**



SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT  
21865 East Copley Drive, Diamond Bar, CA 91765

**PERMIT TO CONSTRUCT/OPERATE**

page 2  
Permit No.  
F52761  
A/N 402309

CONTINUATION OF PERMIT TO CONSTRUCT/OPERATE

NOTICE

IN ACCORDANCE WITH RULE 206, THIS PERMIT TO OPERATE OR COPY SHALL BE POSTED ON OR WITHIN 8 METERS OF THE EQUIPMENT.

THIS PERMIT DOES NOT AUTHORIZE THE EMISSION OF AIR CONTAMINANTS IN EXCESS OF THOSE ALLOWED BY DIVISION 26 OF THE HEALTH AND SAFETY CODE OF THE STATE OF CALIFORNIA OR THE RULES OF THE AIR QUALITY MANAGEMENT DISTRICT. THIS PERMIT CANNOT BE CONSIDERED AS PERMISSION TO VIOLATE EXISTING LAWS, ORDINANCES, REGULATIONS OR STATUTES OF OTHER GOVERNMENT AGENCIES.

EXECUTIVE OFFICER

A handwritten signature in cursive script that reads "Dorris M. Bailey".

By Dorris M. Bailey/nj02  
6/11/2002

FILE COPY

# EXHIBIT 5

Service List

In the Matter of the Petition of Zare Sarkissian and Sirvarte Sarkissian For Review of California Regional Water Quality Control Board, Los Angeles Region, Cleanup and Abatement Order No. R4-2011-0183

State Water Resources Control Board  
State Water Resources Control Board  
Office of Chief Counsel  
Jeannette L. Bashaw, Legal Analyst  
1001 I Street, 22<sup>nd</sup> Floor  
Sacramento, CA 95814  
[jbashaw@waterboards.ca.gov](mailto:jbashaw@waterboards.ca.gov)

California Regional Water Quality Control Board-Los Angeles Region  
Samuel Unger, P.E.  
Executive Officer  
California Regional Water Quality Control Board  
Los Angeles Region  
320 W. Fourth Street, Suite 200  
Los Angeles, CA 90013  
[sunger@waterboards.ca.gov](mailto:sunger@waterboards.ca.gov)

Bizuayehu Ayele  
California Regional Water Quality Control Board  
Los Angeles Region  
Site Cleanup II  
320 W. Fourth Street, Suite 200  
Los Angeles, CA 90013  
[bayele@waterboards.ca.gov](mailto:bayele@waterboards.ca.gov)

Discharger Milton Chortkoff  
Stewart Hsieh, Esq.  
Frye & Hsieh, LLP  
888 S. Figueroa Street, Suite 860  
Los Angeles, CA 90017  
[stewart@hsiehlaw.com](mailto:stewart@hsiehlaw.com)

Discharger Burt Chortkoff  
Burt Chortkoff  
1157 Echo Park, Inc.  
4001 W. Alameda Street, Suite 107  
Burbank, CA 91505

Dischargers Kyung Jae Yi, Song Suk Yi and Echo Complex, Inc.

Daniel C. Whang, Esq.  
Seyfarth Shaw LLP  
2029 Century Park East, Suite 3500  
Los Angeles, CA 90067  
[dwhang@seyfarth.com](mailto:dwhang@seyfarth.com)

Dischargers Fatehali Amersi and Valector, Inc.

William E. Harris, Esq.  
Harris & Kaufman  
15260 Ventura Blvd., Suite 2250  
Sherman Oaks, CA 91403  
[harris@calwageattorneys.com](mailto:harris@calwageattorneys.com)

Dischargers Jose Huerta and Digma Guzman

Jose Huerta and Digma Guzman  
5526 La Mirada Avenue  
Los Angeles, CA 90038

# EXHIBIT 6



# California Regional Water Quality Control Board

## Los Angeles Region



Linda S. Adams  
Acting Secretary for  
Environmental Protection

320 W. 4th Street, Suite 200, Los Angeles, California 90013  
Phone (213) 576-6600 FAX (213) 576-6640 - Internet Address: <http://www.waterboards.ca.gov/losangeles>

Edmund G. Brown Jr.  
Governor

May 11, 2011

Mr. Milton Chortkoff  
Mr. Burt Chortkoff  
1157 Echo Park, Inc.  
4021 W Alameda Street  
Burbank, CA 91505

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED  
7009 0820 0001 6811 8551

Mr. Kyung Jae Yi  
Ms. Song Suk Yi  
Echo Complex, Inc.  
1600 Sunset Boulevard  
Los Angeles, CA 90026

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED  
7009 0820 0001 6811 8568

Mr. Fatehali Amersi  
Valector, Inc.  
8359 Santa Monica Boulevard  
Los Angeles, CA 90069

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED  
7009 0820 0001 6811 8575

Mr. Zare Sarkissian  
Ms. Sirvarte Sarkissian  
16932 Lassen Street  
Northridge, CA 91343

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED  
7009 0820 0001 6811 8582

Mr. Jose Huerta  
Ms. Digna Guzman  
5526 La Mirada Avenue  
Los Angeles, CA 90038

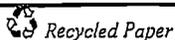
CERTIFIED MAIL  
RETURN RECEIPT REQUESTED  
7009 0820 0001 6811 8612

**DRAFT CLEANUP AND ABATEMENT ORDER NO. R4-2011-XXXX - HOLLYWAY CLEANERS, 1157 ECHO PARK AVENUE, LOS ANGELES, CALIFORNIA (SITE CLEANUP NO. 0075, SITE ID NO. 2048E00)**

The California Regional Water Quality Control Board, Los Angeles Region (Regional Board) is the public agency with primary responsibility for the protection of ground and surface water quality for all beneficial uses within major portions of Los Angeles County and Ventura County, including the above-referenced site.

Enclosed please find Draft Cleanup and Abatement Order No. R4-2011-XXXX (Draft CAO), directing you to assess, monitor, and cleanup and abate the effects of volatile organic compounds (VOCs) and other potential contaminants of concern discharged to soil and groundwater at 1157 Echo Park Avenue, Los Angeles, CA. This Draft CAO is prepared pursuant to section 13304 of the California Water Code.

*California Environmental Protection Agency*



*Our mission is to preserve and enhance the quality of California's water resources for the benefit of present and future generations.*

Mr. Milton Chortkoff, *et al*  
Hollyway Cleaners

- 2 -

May 11, 2011

You are hereby invited to submit written comments and/or evidence regarding this Draft CAO. **Written submissions pertaining to this Draft CAO must be received by the Regional Board staff no later than 5:00 p.m. on June 24, 2011.** Thereafter, staff will prepare a response to comments, recommend appropriate modifications to the Draft CAO, and submit the materials to the Executive Officer for his consideration. Oral hearings are rarely convened to consider CAOs. Therefore, please ensure that all evidence and comments that you wish staff and/or the Executive Officer to consider are included in your timely submittal.

If you have any questions regarding this letter, please contact Mr. Bizuayehu Ayele at (213) 576-6623 (bayele@waterboards.ca.gov) or Mr. Jeffrey Hu at (213) 576-6736 (ghu@waterboards.ca.gov).

Sincerely,

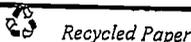


Paula Rasmussen  
Acting Assistant Executive Officer

Enclosure: Draft Cleanup and Abatement Order No. R4-2011-XXXX

cc: Mr. Daniel Whang  
Mr. Stewart Hsieh, Frye & Hsieh, LLP  
Mr. Stephen Henshaw, Environmental Forensics Investigation, Inc.  
Mr. John Bird, Environmental Forensics Investigation, Inc.  
Mr. David Brickman, Echo Complex, Inc.  
Mr. Charlie Yu, Watershed Protection Division, City of Los Angeles  
Ms. Sofia Mohaghegh, Watershed Protection Division, City of Los Angeles

*California Environmental Protection Agency*



*Our mission is to preserve and enhance the quality of California's water resources for the benefit of present and future generations.*

STATE OF CALIFORNIA  
CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD  
LOS ANGELES REGION

CLEANUP AND ABATEMENT ORDER NO. R4-2011-XXXX  
REQUIRING

1157 ECHO PARK, INC.;  
MILTON CHORTKOFF;  
BURT CHORTKOFF;  
ECHO COMPLEX, INC.;  
KYUNG JAE YI;  
SONG SUK YI;  
VALECTOR, INC.;  
FATEHALI AMERSI;  
ZARE SARKISSIAN;  
SIRVARTE SARKISSIAN;  
DIGNA GUZMAN; AND  
JOSE HUERTA

TO ASSESS, CLEANUP, AND ABATE  
WASTE DISCHARGED TO WATERS OF THE STATE  
(PURSUANT TO CALIFORNIA WATER CODE SECTION 13304<sup>1</sup>)  
AT HOLLYWAY CLEANERS  
1157 ECHO PARK AVENUE, LOS ANGELES, CALIFORNIA  
(SITE CLEANUP FILE NO. 0075 AND SITE ID NO. 2048E00)

*You are legally obligated to respond to this Order. Please read this carefully.*

The California Regional Water Quality Control Board, Los Angeles Region (Regional Board) finds that:

**BACKGROUND**

1. **Dischargers:** 1157 Echo Park, Inc.; Milton Chortkoff; Burt Chortkoff; Echo Complex, Inc.; Kyung Jae Yi; Song Suk Yi; Valector, Inc.; Fatehali Amersi; Zare Sarkissian; Sirvarte Sarkissian; Digna Guzman; and Jose Huerta (hereinafter collectively called Dischargers) are Responsible Parties (RPs) due to their: (a) current or past ownership of the property located at 1157 Echo Park Avenue, Los Angeles, California (Site), and/or (b) current or prior operation of a dry cleaning business at Hollyway Cleaners (Site) that resulted in the release of volatile organic compounds (VOCs), particularly perchloroethylene (PCE), to the environment.

<sup>1</sup> 13304 (a): Any person who has discharged or discharges waste into the waters of this state in violation of any waste discharge requirement or other order or prohibition issued by a regional board or the state board, or who has caused or permitted, causes or permits, or threatens to cause or permit any waste to be discharged or deposited where it is, or probably will be, discharged into the waters of the state and creates, or threatens to create, a condition of pollution or nuisance, shall upon order of the regional board, clean up the waste or abate the effects of the waste, or, in the case of threatened pollution or nuisance, take other necessary remedial action, including, but not limited to, overseeing cleanup and abatement efforts.

Specifically, the following Dischargers are named as Responsible Parties due to their current or past dry cleaning operations at Hollyway Cleaners, involving the use of PCE at the Site that resulted in the release of the chemical to the soil and groundwater beneath the Site and its vicinity:

- Valector, Inc.
- Fatehali Amersi
- Zare Sarkissian
- Sirvarte Sarkissian
- Digna Guzman
- Jose Huerta

The following Dischargers are named as Responsible Parties due to their current or past ownership of the Site during the period when Hollyway Cleaners has been operating (from at least 1946 to the present):

- 1157 Echo Park, Inc.
- Milton Chortkoff
- Burt Chortkoff
- Echo Complex, Inc.
- Kyung Jae Yi
- Song Suk Yi

The Dischargers have caused or permitted waste to be discharged or deposited where it is, or probably will be discharged into the waters of the State which creates a condition of pollution or nuisance.

2. **Location:** The Site is located at 1157 Echo Park Avenue, in the Echo Park neighborhood of Los Angeles, California. Attachment A, Figure 1, Site Location Map, attached hereto and incorporated herein by reference, depicts the location of the Site. Additionally, Figure 2, Site Vicinity Map, of Attachment A, also attached hereto and incorporated herein, depicts the building occupying the Site and the surrounding area. The Site lies approximately 820 feet northeast of Echo Park Lake, a 12-acre urban lake with existing beneficial uses designated by the Regional Board being non-contact water recreation (RECO) and wildlife habitat (WILD). Residential homes are located between the Site and Echo Park Lake.
3. **Groundwater Basin:** The Site is located north of the Central Groundwater Basin on the southwestern edge of Elysian Hills, which are part of the Elysian Hills anticline. A thin veneer of recent alluvium underlies the area of the Site. The subsurface lithology includes Quaternary alluvium composed of unconsolidated clay, sand and gravel, and the Miocene marine Puente formation which consists of siltstones, sandstones, shale, limestone and conglomerates. The Puente formation dips towards the south-southwest at an angle of approximately 45 degrees in the immediate Site vicinity. As set forth in the *Water Quality Control Plan* for the Los Angeles Region (Basin Plan), which was adopted on June 13, 1994, the Regional Board has designated beneficial uses for groundwater, which include municipal and domestic drinking water supplies (MUN) in the Central Basin, and has established water quality objectives for the protection of these beneficial uses.
4. **Water Quality in the Basin:** "Antidegradation Policy" (State Board Resolution No. 68-16) requires attainment of background levels of water quality, or the highest level of water quality that is reasonable in the event that background levels cannot be restored. The detected PCE and other VOCs in the groundwater beneath the Site and its vicinity have impaired the beneficial uses of the

groundwater, causing PCE and other VOCs concentrations to exceed background (non-detect) levels.

5. As detailed in the findings below, the Dischargers' activities at the Site have caused or permitted the discharge of waste to soil and groundwater where it has created, or threatens to create, a condition of pollution or nuisance.

### SITE HISTORY

6. **Site Description and Activities:** The Site is currently owned by the following parties:

- Kyung Jae Yi and Song Suk Yi
- Echo Complex, Inc.

The purchase agreement for property indicates that Kyung Jae Yi bought the property on January 6, 2000 from 1157 Echo Park, Inc., Milton Chortkoff and Burt Chortkoff.

The grant deed for the property indicates that Kyung Jae Yi and Song Suk Yi transferred the title of the property to Echo Complex, Inc. on October 12, 2000. Kyung Jae Yi and Song Suk Yi are owners of Echo Complex, Inc.

The Site includes one parcel encompassing approximately 0.4 acres. It has a three-story building occupying the entire Site. Hollyway Cleaners, a retail clothing store and other businesses occupy the first floor and the upper floors are being used for apartments.

The property has changed hands between successive owners since approximately 1907. The property ownership history is summarized in Table 1 below. One of the units of the building has been occupied by Hollyway Cleaners since approximately 1941 and successive operators owned and ran the dry cleaning business, as summarized in Table 2.

#### Site Ownership Timeline

The historical Site ownership is summarized in Table 1 below.

Table 1 - Site Ownership History

| Approximate Date  | Grantor (Seller or Prior Owner)                            | Grantee (New Owner)   | Document Type                       |
|-------------------|--|---|-------------------------------------|
| 1907 <sup>1</sup> | Unknown  | Arthur Fey  | Personal communication <sup>2</sup> |
| 1969              | Unknown  | Milt Chortkoff and Burt Chortkoff                                       | Personal communication <sup>2</sup> |
| 1986              | Milt Chortkoff and Burt Chortkoff                          | Echo Park/Sunset Investment Ltd.  | Personal communication <sup>2</sup> |
| 1990              | Echo Park/Sunset Investment Ltd                            | Milt Chortkoff and Burt Chortkoff and 1157 Echo Park, Inc. <sup>3</sup> | Personal communication <sup>2</sup> |
| January 6, 2000   | Milt Chortkoff and Burt Chortkoff and 1157 Echo Park, Inc. | Kyung Jae Yi and Kyung Ho Yi  | Property purchase agreement         |
| October 20, 2000  | Kyung Jae Yi and Song Suk Yi <sup>4</sup>                  | Echo Complex, Inc.  | Grant deed                          |

- <sup>1</sup> The Los Angeles County, Assessor's Office website indicates that the building was constructed in 1907.  
<sup>2</sup> Historical property information was obtained from Mr. Burt Chortkoff during a phone conversation in August 2008.  
<sup>3</sup> In a property purchase agreement, dated January 6, 2000, Milt Chortkoff and Mr. Burt Chortkoff signed as president and treasurer of 1157 Echo Park, Inc., respectively.  
<sup>4</sup> Ms. Song Suk Yi is included as a grantor on the grant deed but is not included as a buyer in the property purchase agreement.

*Site Operations Timeline*

The historical Site operations are summarized in Table 2 below.

**Table 2 - Site Operations History**

| Approximate Period | Dry Cleaning Business Operator and Owner       | Name of Business              | Source of Information  |
|--------------------|--|-------------------------------|--|
| 1941 - 1946        | Shirlee Smith                                  | Hollyway Cleaners and Laundry | Personal communication <sup>1</sup>  |
| 1946 - 1985        | Carl Chortkoff and Milt Chortkoff <sup>2</sup> | Hollyway Cleaners             | Personal communication <sup>1</sup>  |
| 1985 - 1997        | Valector, Inc. <sup>3</sup>                    | Hollyway Cleaners             | Personal communication <sup>1</sup> and fictitious business name statement |
| 1997 - 2007        | Zare Sarkissian and Sirvarte Sarkissian        | Hollyway Cleaners             | Fictitious business name statement   |
| 2007 - present     | Digna Guzman and Jose Huerta                   | Hollyway Cleaners             | Fictitious business name statement   |

- <sup>1</sup> Historical property information was obtained from Mr. Burt Chortkoff during a phone conversation in August 2008.  
<sup>2</sup> The information available on the web site of Milt & Edie's Drycleaners indicates that Mr. Milt Chortkoff's cleaning experience began 60 years ago working at Hollyway Laundry & Dry Cleaners, his father's business in Echo Park. Mr. Milt Chortkoff is currently the owner of Milt & Edie's Drycleaners, located in Burbank, CA. (see <http://www.miltandediesdrycleaners.com/AboutUs.htm> accessed on November 10, 2010).  
The *Eastsider LA* cites *The Los Angeles Times* as writing about Hollyway Cleaners in its January 1963 edition. Milton Chortkoff was mentioned in the article as owner of Hollyway Cleaners at the time (see: <http://www.theeastsiderla.com/2010/10/neighborhood-fixture-1157-echo-park-avenue/>, accessed on November 10, 2010).  
<sup>3</sup> The fictitious business name statement for Valector, Inc. which runs another dry cleaning business at 8359 Santa Monica Boulevard, Los Angeles, CA indicates that Mr. Fatehali Amersi is the owner of the company. Mr. Burt Chortkoff informed Regional Board staff that Valector, Inc. ran Hollyway Cleaners from approximately 1985 to 1997.

7. **Chemical Usage:** A cleaning solvent, perchloroethylen (PCE), had reportedly been used in the dry cleaning operations at Hollyway Cleaners. Following a due diligence for property transaction in 1988, subsurface investigations at the Site revealed that there was a discharge of PCE and other VOCs to the soil and groundwater near the unit occupied by Hollyway Cleaners. PCE and the other VOCs are a "waste" as defined in Water Code section 13050(d).

**EVIDENCE OF WASTE DISCHARGE AND BASIS  
FOR SECTION 13304 ORDER**

8. **Waste Releases:** In March 1988, as part of a pre-purchase due diligence, three soil borings (B-1, B-2, and B-3) were drilled by Hart Associates to 20 feet below ground surface (bgs) for environmental site assessment near the unit occupied by Hollyway Cleaners. Many soil samples and a groundwater sample were collected for VOCs analysis. The analysis detected PCE at a maximum concentration of 10,000 micrograms per kilogram ( $\mu\text{g}/\text{Kg}$ ) in the soil samples and 36,000 micrograms per liter ( $\mu\text{g}/\text{L}$ ) in the groundwater sample. Other VOCs such as trichloroethylene (TCE), cis-1,2 dichloroethene (cis-1,2-DCE) and 1,1-dichloroethene (1,1-DCE) were also detected in the soil and groundwater samples.

Following the discovery of the wastes in soil and groundwater, the Site contamination was reported to the Regional Board. Subsequent site assessments were conducted under the Regional Board's oversight to characterize and delineate the extent of the discharges of waste in soil and groundwater.

Seven soil borings (B-1 through B-7) were drilled by Law Environmental from June to December 1988 to depths ranging from 15 to 20 feet bgs near Hollyway Cleaners unit. Five groundwater monitoring wells (MW-1 through MW-5) were also installed.

Soil samples were collected for analysis from the borings for the groundwater monitoring wells. PCE and other VOCs were detected in the soil and groundwater samples. The highest PCE concentration in the soil was detected near the dry cleaning machine at 3,000  $\mu\text{g}/\text{Kg}$  in a 15-foot sample. The highest PCE concentration in the groundwater at 5,900  $\mu\text{g}/\text{L}$  was detected in the groundwater monitoring well (MW-4) immediately downgradient to the Hollyway Cleaners unit.

Supplementary assessment involving a soil gas survey, a cone penetrometer testing (CPT), groundwater sampling with a hydropunch and groundwater monitoring well installation and sampling was conducted from January to June 1990.

The soil gas survey consisted of a soil vapor sampling from depths ranging from approximately 2 feet to 2.5 feet bgs at 25 locations behind (northwest of) the Hollyway Cleaners unit. PCE was detected at a maximum concentration of 26,000  $\mu\text{g}/\text{L}$ . Other VOCs such TCE and 1,1-DCE were also detected. The result of the soil gas survey indicates that a VOCs plume exists in the soil gas beneath the Site and its vicinity. However, the extent of the soil vapor plume is not fully defined.

Based on the results of the CPT and Hydropunch® groundwater sampling conducted at 22 locations onsite and offsite, five additional groundwater monitoring wells (MW-6 through MW-10) were installed.

Multiple rounds of groundwater sampling were conducted in December 1988, June 1989, January 1990 and March 1990.

Between 1998 and 2000, a soil sampling and four quarters of groundwater sampling were completed at the Site. The soil sampling involved hand auger sampling at two locations, HA1 and HA2, to evaluate the performance of a soil vapor extraction (SVE) system reportedly installed at the Site in 1994. PCE was detected at 203  $\mu\text{g}/\text{Kg}$  in HA1 at 5 feet bgs and 692  $\mu\text{g}/\text{Kg}$  in HA2 at 15 bgs.

During the four rounds of groundwater monitoring and sampling, the highest concentrations of PCE and other VOCs were reported for groundwater samples collected from wells immediately downgradient to the Hollyway Cleaners unit, MW-3, MW-4 and MW-5.

After a nine-year lapse, the most recent groundwater monitoring and sampling was conducted in March 2009. PCE and other VOCs were reported in the groundwater at concentrations consistent with historical groundwater data.

9. **Source Elimination and Remediation Status:** An SVE system was reportedly installed at the Site in 1994 for soil remediation without Regional Board's oversight. It operated intermittently and operation parameters are unknown as remediation progress reports were not submitted to the Regional Board.

Between April 2000 and July 2002, bench-scale bioremediation tests were performed in a laboratory on soil and groundwater samples collected from the Site to evaluate the effectiveness of a bioremediation product, Bac-Terra<sup>®</sup>, consisting of naturally occurring non-pathogenic microorganisms and nutrients, in reducing the concentration of VOCs in the samples. The treatability study report submitted to the Regional Board indicates that Bac-Terra<sup>®</sup> is effective for soil and groundwater remediation at the Site. However, the proposed bioremediation measure was not tested at a pilot-scale or fully implemented at the Site.

10. **Summary of Findings from Subsurface Investigations**

Regional Board staff has reviewed and evaluated the technical reports and records pertaining to the release, detection, and distribution of wastes on the Hollyway Cleaners Site and the Site vicinity. Elevated levels of PCE and other wastes have been detected in soil vapor, soil matrix, and groundwater beneath the Hollyway Cleaners site, especially near the unit occupied by Hollyway Cleaners.

- a. The maximum concentration of PCE in the soil matrix is 10,000  $\mu\text{g}/\text{Kg}$  at 10 feet bgs. The concentration of PCE in the soil matrix exceeds soil screening levels (SSLs) by several orders of magnitude, posing a threat to groundwater quality.

The concentration of PCE in the soil matrix also exceeds the United States Environmental Protection Agency (USEPA) Region IX's direct contact exposure pathways Regional Screening Level (RSL) of 0.55 mg/kg for residential soil and 2.6 mg/Kg for industrial soil.

- b. The maximum concentration of PCE in the soil vapor is 23,000  $\mu\text{g}/\text{L}$  at 2 feet bgs. The concentration of PCE in the soil vapor exceeds the California Human Health Screening Level (CHSSLs) of 0.18  $\mu\text{g}/\text{L}$  for residential land use and 0.603  $\mu\text{g}/\text{L}$  for commercial/industrial land use by up to four orders of magnitude.

- c. The maximum concentration of PCE in the groundwater is 36,000  $\mu\text{g}/\text{L}$  in the source area near the dry cleaning unit. The concentration of PCE in the groundwater exceeds the USEPA's or California Department of Public Health's Maximum Contaminant Levels (MCL) of 5  $\mu\text{g}/\text{L}$  by up to more than three orders of magnitude.

The PCE plume in the groundwater has migrated offsite and is threatening Echo Park lake. The offsite groundwater monitoring well downgradient of the site, MW-9, is approximately 90 feet from the edge of the lake. PCE was detected in MW-9 up to 370  $\mu\text{g}/\text{L}$  in the past groundwater sampling events.

- d. The depth of groundwater ranges approximately from 4 feet bgs near Echo Park lake to 17 feet bgs near the dry cleaning unit. The depth to groundwater becomes shallower downgradient away from the dry cleaning unit. Residential houses are located downgradient of the Site and the PCE plume beneath the houses poses a potential VOC vapor intrusion threat to the indoor air.

The Dischargers have caused or permitted VOCs, particularly PCE, to be discharged or deposited where the wastes are, or probably will be discharged into the waters of the State which creates a condition of pollution or nuisance. The Dischargers have caused or permitted VOCs, particularly PCE, to be discharged or deposited where the wastes are or probably will pose a potential human health threat to occupants of the building onsite and residents living in the houses downgradient of the Site through direct contact exposure to contaminated soil and/or groundwater or through vapor intrusion into indoor air.

11. Water quality objectives (WQOs) that apply to the groundwater at the Site include the state MCLs. The groundwater exceeds the WQOs for the wastes. The exceedance of applicable water quality objectives in the Basin Plan constitutes pollution as defined in California Water Code Section 13050(1)(1). The wastes detected in waters, soil and vapor at the Site threatens to cause pollution, including contamination, and nuisance.
12. **Regulatory Status:** Prior to issuance of this Cleanup and Abatement Order (CAO), there was one active Order issued to two of the responsible parties for this Site, Mr. Milton Chortkoff and Mr. Kyung Jae Yi. The Order, dated January 25, 2010, modified requirements contained in prior Orders and established additional requirement for soil and groundwater remediation. Mr. Milton Chortkoff did not comply with the Order, claiming indemnification of environmental liabilities after the sale of the property. Mr. Kyung Jae Yi claimed financial hardship and did not comply with the Order.
13. **Impairment of Drinking Water Wells:** The Regional Board has the authority to require the Dischargers and other dischargers to pay for or provide uninterrupted replacement water service to each affected public water supplier or private well owner in accordance with Water Code section 13304.
14. **Sources of Information:** The sources for the evidence summarized above include but are not limited to: reports and other documentation in Regional Board files, telephone calls and e-mail communication between responsible parties, their attorneys and consultants, and site visits.

#### AUTHORITY - LEGAL REQUIREMENTS

15. Section 13304(a) of the Water Code provides that:

*"Any person who has discharged or discharges waste into the waters of this state in violation of any waste discharge requirements or other order or prohibition issued by a regional board or the state board, or who has caused or permitted, causes or permits, or threatens to cause or permit any waste to be discharged or deposited where it is, or probably will be, discharged into the waters of the state and creates, or threatens to create, a condition of pollution or nuisance, shall upon order of the regional board cleanup the waste or abate the effects of the waste, or, in the case of threatened pollution or nuisance, take other necessary remedial action, including, but not limited to, overseeing cleanup and abatement efforts. Upon failure of any person to comply with the cleanup and abatement order, the Attorney General, at the request of the regional board, shall petition the superior court for that county for the issuance of an injunction requiring the person to comply with the order. In the suit, the court shall have jurisdiction to grant a prohibitory or mandatory injunction, either preliminary or permanent, as the facts may warrant."*

16. Section 13304(c)(1) of the California Water Code provides that:

*"... the person or persons who discharged the waste, discharges the waste, or threatened to cause or permit the discharge of the waste within the meaning of subdivision (a), are liable to that government*

*agency to the extent of the reasonable costs actually incurred in cleaning up the waste, abating the effects of the waste, supervising cleanup or abatement activities, or taking other remedial actions. . ."*

17. The State Water Resources Control Board (hereafter State Board) has adopted Resolution No. 92-49, the *Policies and Procedures for Investigation and Cleanup and Abatement of Discharges Under Water Code Section 13304*. This Policy sets forth the policies and procedures to be used during an investigation or cleanup of a polluted site and requires that cleanup levels be consistent with State Board Resolution 68-16, the *Statement of Policy With Respect to Maintaining High Quality of Waters in California*. Resolution 92-49 and the Basin Plan establish the cleanup levels to be achieved. Resolution 92-49 requires the waste to be cleaned up to background, or if that is not reasonable, to an alternative level that is the most stringent level that is economically and technologically feasible in accordance with Title 23, California Code of Regulations (CCR) Section 2550.4. Any alternative cleanup level to background must (1) be consistent with the maximum benefit to the people of the state; (2) not unreasonably affect present and anticipated beneficial use of such water; and (3) not result in water quality less than that prescribed in the Basin Plan and applicable Water Quality Control Plans and Policies of the State Board.

#### CONCLUSIONS

18. **Pollution of Waters of the State:** As described in this Order, the Dischargers have caused or permitted, or threatened to cause or permit, waste to be discharged where it is or probably will be discharged into the waters of the state and creates, or threatens to create, a condition of pollution or nuisance.
19. **Need for Technical Reports:** This Order requires the submittal of technical or monitoring reports pursuant to Water Code section 13267<sup>2</sup>. The Dischargers are required to submit the reports because, as described in the Findings in this Order, the Dischargers are responsible for the discharge of waste that has caused pollution and nuisance. The reports are necessary to evaluate the extent of the impacts on water quality and public health and to determine the scope of the remedy.
20. Issuance of this Order is being taken for the protection of the environment and as such is exempt from provisions of the California Environmental Quality Act (CEQA) (Public Resources Code section 21000 et seq.) in accordance with California Code of Regulations, title 14, sections 15061(b)(3), 15306, 15307, 15308, and 1532. This Order generally requires the Dischargers to submit plans for approval prior to implementation of cleanup activities at the Site. Mere submittal of plans is exempt from CEQA as submittal will not cause a direct or indirect physical change in the environment and/or is an activity that cannot possibly have a significant effect on the environment. CEQA review at this time would be premature and speculative, as there is simply not enough information concerning the Dischargers' proposed remedial activities and possible associated environmental impacts. If the Regional Board determines that implementation of any plan required by this Order will have a significant effect on the environment, the Regional Board will conduct the necessary and appropriate environmental review prior to Executive Officer's approval of the applicable plan.
21. Pursuant to section 13304 of the California Water Code, the Regional Board may seek reimbursement for all reasonable costs to oversee cleanup of such waste, abatement of the effects thereof, or other remedial action.

<sup>2</sup> Water Code section 13267 authorized the Regional Board to require any person who has discharged, discharges, or is suspected of having discharged or discharging, waste to submit technical or monitoring program reports.

### REQUIRED ACTIONS

**THEREFORE, IT IS HEREBY ORDERED**, pursuant to section 13304 of the California Water Code, that the Dischargers shall investigate, cleanup and abate waste emanating from 1157 Echo Park Avenue, Los Angeles, California and develop and submit reports in accordance with the following requirements:

1. **Develop a Site Conceptual Model:** The Site Conceptual Model (SCM) should include a written presentation with graphic illustrations of discharge scenario, geology and hydrogeology, waste fate and transport in soil matrix, soil gas and groundwater, distribution of wastes, exposure pathways, sensitive receptors and other relevant information. The SCM shall be constructed based upon actual data collected from the Site.

The SCM shall include a comprehensive human health risk assessment (HHRA), and if applicable an ecological risk assessment, considering all waste constituents in the soil matrix, soil gas and groundwater, all exposure pathways and sensitive receptors and applying existing regulatory human health and ecological screening levels and/or acceptable risk assessment models.

The SCM shall also be updated as new information becomes available. The SCM should be updated and be submitted semiannually or upon request by the Regional Board staff.

2. **Assess, Characterize and Delineate the Extent of Soil and Groundwater Pollution:** Fully assess and characterize and completely delineate the extent of wastes in the soil matrix, soil vapor, and groundwater caused by the discharge of PCE and any other waste constituents from the Site.

If interpretation of the SCM suggests that assessment, characterization and delineation of waste constituents is incomplete, you shall prepare and submit a work plan to complete assessment and characterization of VOCs and other potential waste constituents in soil vapor, soil matrix and groundwater and to fully delineate the vertical and lateral extent of wastes in the soil and groundwater onsite and offsite.

Iterative additional site assessment work plans and associated reports may be needed if near-term assessment work does not accomplish full assessment, characterization and delineation of wastes in the soil and groundwater. The Regional Board will consider designating new due dates if additional work is needed.

3. **Conduct Remedial Action:** Initiate a cleanup and abatement program for the cleanup of wastes in the soil matrix, soil vapor, and groundwater and the abatement of threatened beneficial uses of water and pollution sources as highest priority. Specifically, you shall:
  - A. Develop a comprehensive Remedial Action Plan (RAP) for cleanup of wastes in the soil matrix, soil vapor and groundwater originating from the Site and submit it for Regional Board review and approval. The RAP shall include, at a minimum:
    - i. Discussion of the technology(ies) proposed for remediation of soil matrix, soil vapor and groundwater.
    - ii. Description of the selection criteria for choosing the proposed method over other potential remedial options. Discuss the technical merit, suitability of the selected method under the given site conditions and waste constituents present, economic and temporal feasibility, and immediate and/or future beneficial results.

- iii. Estimation of cumulative mass of wastes to be removed with the selected method. Include all calculations and methodology used to obtain this estimate.
- iv. Develop preliminary cleanup goals in compliance with State Water Board Resolution 92-49 ("Policies and Procedures for Investigation and Cleanup and Abatement of Discharges Under Water Code Section 13304"). Resolution 92-49, Section III.G. requires cleanup to background, unless that is not reasonable. Alternative cleanup levels to background must comply with California Code of Regulations, Title 23, sections 2550.4, and be consistent with maximum benefit to the people of the state, protect beneficial uses, and result in compliance with the Basin Plan.

The following information shall be considered when establishing preliminary cleanup goals:

- a. Soil cleanup levels set forth in the Regional Board's *Interim Site Assessment and Cleanup Guidebook*, May 1996.
- b. Human health protection levels set forth in the current USEPA Region IX's RSLs.
- c. Protection from vapor intrusion and protection of indoor air quality based on the California EPA's January 2005 (or later version) *Use of Human Health Screening Levels (CHHSLs) in Evaluation of Contaminated Properties*. Soil vapor sampling requirements are stated in the Department of Toxic Substances Control (DTSC) and Regional Board January 2003 *Advisory - Active Soil Gas Investigations*, and the DTSC February, 2005 (or latest version) *Guidance for the Evaluation and Mitigation of Subsurface Vapor Intrusion to Indoor Air*.
- d. Groundwater cleanup goals shall not exceed California's MCLs, Notification Levels for drinking water as established by the State Department of Public Health, Ocean Plan, the California Toxic Rules or Regional Board's Basin Plan water quality objectives, at a point of compliance approved by the Regional Board.
- e. State Water Board Resolution 68-16 ("*Statement of Policy with Respect to Maintaining High Quality Waters in California*"); which requires attainment of background levels of water quality, or the highest level of water quality that is reasonable in the event that background levels cannot be restored. Cleanup levels other than background must be consistent with the maximum beneficial use of water, and not result in exceedance of water quality objectives in the Basin Plan."

Additional RAPs may be needed if the implemented remedial measure does not completely achieve all site clean up goals.

- B. Submit quarterly remediation progress reports to this Regional Board. The quarterly remediation progress reports shall document all performance data associated with the operating systems. The due dates for the quarterly remediation progress reports shall be determined by the Regional Board upon approval of the Remedial Action Plan(s).
4. **Conduct Groundwater Monitoring:** Continue the existing quarterly groundwater monitoring program. The quarterly groundwater monitoring reports shall be submitted according to the following schedule, with the next report due **July 15, 2011:**

| Monitoring Quarter | Monitoring Period  | Report Due Date |
|--------------------|--------------------|-----------------|
| First Quarter      | January - March    | April 15        |
| Second Quarter     | April - June       | July 15         |
| Third Quarter      | July - September   | October 15      |
| Fourth Quarter     | October - December | January 15      |

5. **Time Schedule:** The Dischargers shall submit all required work plans and reports within the time schedule listed in Attachment B attached hereto and incorporated herein by reference.
6. The Regional Board's authorized representative(s) shall be allowed:
  - a. Entry upon premises where a regulated facility or activity is located, conducted, or where records are stored, under the conditions of this CAO;
  - b. Access to copy any records that are stored under the conditions of this CAO;
  - c. Access to inspect any facility, equipment (including monitoring and control equipment), practices, or operations regulated or required under this CAO; and
  - d. The right to photograph, sample, and monitor the Site for the purpose of ensuring compliance with this CAO, or as otherwise authorized by the California Water Code.
7. **Contractor/Consultant Qualification:** A California licensed professional civil engineer or geologist, or a certified engineering geologist or hydrogeologist, shall conduct or direct the subsurface investigation and cleanup program. All technical documents shall be signed by and stamped with the seal of the above-mentioned qualified professionals that reflects a license expiration date.
8. This CAO is not intended to permit or allow the Dischargers to cease any work required by any other CAO issued by the Regional Board, nor shall it be used as a reason to stop or redirect any investigation or cleanup or remediation programs ordered by the Regional Board or any other agency. Furthermore, this CAO does not exempt the Dischargers from compliance with any other laws, regulations, or ordinances which may be applicable, nor does it legalize these waste treatment and disposal facilities, and it leaves unaffected any further restrictions on those facilities which may be contained in other statutes or required by other agencies.
9. The Dischargers shall submit a 30-day advance notice to the Regional Board of any planned changes in name, ownership, or control of the Site and shall provide a 30-day advance notice of any planned physical changes to the Site that may affect compliance with this CAO. In the event of a change in ownership or operator, the Dischargers also shall provide a 30-day advance notice, by letter, to the succeeding owner/operator of the existence of this CAO, and shall submit a copy of this advance notice to the Regional Board.
10. Abandonment of any groundwater well(s) at the Site must be approved by and reported to the Executive Officer at least 30 days in advance. Any groundwater wells removed must be replaced within a reasonable time, at a location approved by the Executive Officer. With written justification, the Executive Officer may approve of the abandonment of groundwater wells without replacement. When a well is removed, all work shall be completed in accordance with California Department of Water Resources Bulletin 74-90, "California Well Standards," Monitoring Well Standards Chapter, Part III, Sections 16-19.
11. The Regional Board, through its Executive Officer, may revise this CAO as additional information becomes available. Upon request by the Dischargers, and for good cause shown, the Executive Officer may defer, delete or extend the date of compliance for any action required of the Dischargers under this CAO. The authority of the Regional Board, as contained in the California Water Code, to

order investigation and cleanup, in addition to that described herein, is in no way limited by this CAO.

12. Any person aggrieved by this action of the Regional Water Board may petition the State Water Board to review the action in accordance with Water Code section 13320 and California Code of Regulations, title 23, sections 2050 and following. The State Water Board must receive the petition by 5:00 p.m., 30 days after the date of this Order, except that if the thirtieth day following the date of this Order falls on a Saturday, Sunday, or state holiday, the petition must be received by the State Water Board by 5:00 p.m. on the next business day. Copies of the law and regulations applicable to filing petitions may be found on the Internet at:

[http://www.waterboards.ca.gov/public\\_notices/petitions/water\\_quality](http://www.waterboards.ca.gov/public_notices/petitions/water_quality)

or will be provided upon request.

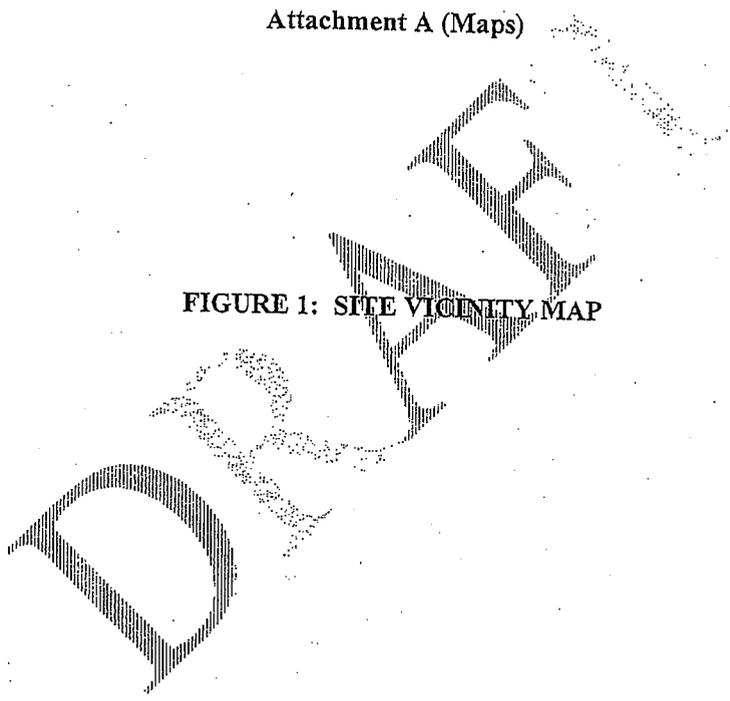
13. Failure to comply with the terms or conditions of this CAO may result in imposition of civil liabilities, imposed either administratively by the Regional Board or judicially by the Superior Court in accordance with sections 13304, 13308, and/or 13350 of the California Water Code, and/or referral to the Attorney General of the State of California.
14. None of the obligations imposed by this CAO on the Dischargers are intended to constitute a debt, damage claim, penalty or other civil action which should be limited or discharged in a bankruptcy proceeding. All obligations are imposed pursuant to the police powers of the State of California intended to protect the public health, safety, welfare, and environment.

Ordered by: \_\_\_\_\_  
Samuel Unger, P.E.  
Executive Officer

Date: May 11, 2011

Attachment A (Maps)

FIGURE 1: SITE VICINITY MAP



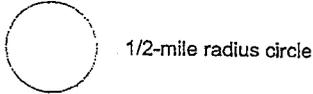


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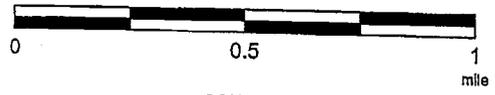
FN 340903TOPO

Map Name: Hollywood, CA  
Version: 1994

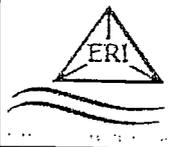
**EXPLANATION**



**APPROXIMATE SCALE**



SOURCE:  
Modified from a map  
provided by  
National Geographic's TOPO!



**SITE LOCATION MAP**

HOLLYWAY CLEANERS  
1157 Echo Park Avenue  
Los Angeles, California

**PROJECT NO.**

340903

**PLATE**

1

FIGURE 2: SITE MAP



**Attachment B: Time Schedule**

| <b>DIRECTIVE</b> |  | <b>DUE DATE</b>   |
|------------------|--|---|
| 1.               | <p><b>Develop a Site Conceptual Model:</b></p> <p>1a Prepare and submit a Site Conceptual Model which provides details on and illustrates contaminant release scenario, geology and hydrogeology, contaminant fate and transport in soil, soil gas and groundwater, distribution of contaminants, exposure pathways, sensitive receptors and other relevant information.</p> <p>Include a comprehensive human health risk assessment (HHRA), and if applicable ecological risk assessment, in the Site Conceptual Site Model, considering all contaminants in the soil matrix, soil gas and groundwater, all exposure pathways and sensitive receptors and applying existing regulatory human health and ecological screening levels and/or acceptable risk assessment models.</p> <p>1b Provide updates to the existing Site Conceptual Model in all future technical reports as new information becomes available.</p> | <p>November 22, 2011</p> <p>To be determined after review and evaluation of the Site Conceptual Model.</p>  |
| 2.               | <p><b>Complete Delineation of Waste Discharge:</b></p> <p>Prepare and submit a work plan for completing delineation of the extent of VOCs in the soil matrix, soil vapor, and groundwater.</p> <p>Iterative additional site assessment work plans and associated reports may be needed if near-term assessment work does not accomplish full assessment and delineation of the soil and groundwater contamination. The Regional Board will consider designating new due dates if additional work is needed.</p>  | <p>To be determined after review of the Site Conceptual Model</p> <p>To be determined after review of site assessment reports and work plans</p>  |
| 3.               | <p><b>Conduct Remedial Action:</b></p> <p>3a Develop and submit a Remedial Action Plan (RAP) for soil, soil vapor and groundwater remediation and abetting the effects of the waste released to the environment.</p> <p>Additional RAPs may be needed if the implemented remedial measure does not achieve all site clean up goals.</p>  | <p>To be determined after review of the Site Conceptual Model and site assessment reports</p> <p>To be determined after review and evaluation of remediation progress and/or remediation completion reports</p> |

| DIRECTIVE |   | DUE DATE   |
|-----------|---|--|
| 3b        | Prepare and submit Remediation Progress Reports for the remediation system implemented.   | To be determined upon approval of the Remedial Action Plan(s)  |
| 4.        | <p><b>Groundwater Monitoring:</b></p> <p>Conduct quarterly groundwater monitoring according to the following schedule.</p> <p><u>Monitoring Period</u></p> <p>January 1 - March 31<br/> April 1 - June 30<br/> July 1 - September 30<br/> October 1 - December 31</p> | <p>The next groundwater monitoring report is due on <b>July 15, 2011.</b></p> <p><u>Report Due Date</u></p> <p>April 15<sup>th</sup><br/> July 15<sup>th</sup><br/> October 15<sup>th</sup><br/> January 15<sup>th</sup></p> |

DRAFT

# EXHIBIT 7

LAW OFFICES OF  
**MARK B. GILMARTIN**  
1534 17<sup>th</sup> STREET, SUITE 103  
SANTA MONICA, CALIFORNIA 90404  
TELEPHONE: (310)310-2644  
FACSIMILE: (310)496-1402  
E-MAIL: mbgilmartin@earthlink.net

FILE NO.  
1948.01

June 24, 2011

**Via E-Mail/U.S. Mail**

Paula Rasmussen  
Acting Assistant Executive Officer  
California Regional Water Quality Control Board  
Los Angeles Region  
320 W. 4<sup>th</sup> Street, Suite 200  
Los Angeles, CA 90013

**Re: *Draft Cleanup and Abatement Order No. R4-2011-XXXX  
Hollyway Cleaners, 1157 Echo Park Avenue, Los Angeles  
Site Cleanup No. 0075  
Site I.D. No. 2048E00***

Dear Ms. Rasmussen:

I am writing on behalf of Zare Sarkissian & Sirvarte Sarkissian in response to your letter dated May 11, 2011. Mr. & Mrs. Sarkissian did not discharge perchlorethylene ("PCE") at the above referenced site and should not be named as dischargers in any Cleanup and Abatement Oder ("CAO").

The CAO states that Mr. & Mrs. Sarkissian operated a dry cleaning business at the site from 1997 to 2007. There is no evidence of which I am aware that Mr. Sarkissian or Mrs. Sarkissian caused or permitted PCE or any other hazardous material or waste to be discharged or deposited where it was discharged into the waters of the state thereby creating or threatening to create a condition of pollution or nuisance. More specifically, there is no evidence that PCE was spilled, released or discharged during dry cleaning operations conducted at the site from 1997 to 2007. Mr. & Mrs. Sarkissian cannot be ordered to participate in or pay for remedial actions based solely on the fact that they conducted dry cleaning operations at the site.

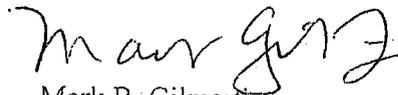
Public records indicate that high concentrations of chlorinated solvents were discovered in groundwater samples collected at the site in 1988. Groundwater monitoring conducted since the commencement of my clients' tenancy does not suggest any new release of PCE.

Mr. & Mrs. Sarkissian respectfully request that you reconsider naming them as dischargers.

Paula Rasmussen  
California Regional Water Quality Control Board  
June 24, 2011  
Page 2

If you have any questions or would like to discuss this matter, please contact me.

Very truly yours,



Mark B. Gilmartin

MBG:kk

cc: Jeffrey Hu, Sr. Water Resource Control Engineer (via email)  
Bizuyehu Ayele (via email)