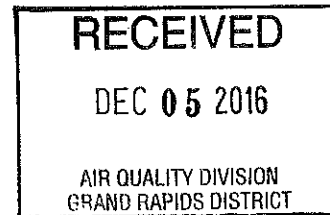




CERTIFIED MAIL  
Return Receipt Requested

Mr. Chris Robinson  
Environmental Quality Analyst  
Michigan Department of Environmental Quality  
Grand Rapids District Office  
Air Quality Division  
350 Ottawa Avenue, NW Unit 10  
Grand Rapids, MI 49503-2341



RE: Notice of Violation, PTI Number 57-07, M. Argüeso & Co., Inc. (DBA Paramelt), SRN: N7764,  
November 4, 2016

Dear Mr. Robinson:

Regarding your November 4, 2016, Notice of Violation letter, on behalf of our client, M. Argüeso & Co., Inc. (DBA Paramelt, "Paramelt"), we offer the following response:

Paramelt installed and has been operating two hot melt process vessels as allowed under Michigan Air Quality Division Part 2 Air Use Approval exemption *R336.1290, Permit to install exemptions; emission units with limited emissions* ("Rule 290"). Based on previous inspections and discussions with Michigan Air Quality staff, Rule 290-required recordkeeping has been performed based on "worst case scenario" calculations using maximum VOC content of raw materials and grouping all non-permit emission units together for compliance determination. Historically, this approach has consistently resulted in total emissions calculated at levels below the Rule 290 allowable exemption limits.

At the beginning of 2016, Paramelt's production levels started to increase to the point of seeing Rule 290 emission calculations approaching exemption limits. Staff at Paramelt requested of vendors, and received, updated Safety Data Sheets ("SDSs") for all current materials and the site's emission database has been revised accordingly (see electronic attachments, included with the email of this letter). Upon SDS review, it was noted that several of the raw materials contained ingredients that, while applicable to the Rule 290 exemption emission limits, were not highly volatile. Since the calculations historically were based on maximum ingredient content, as stated on the SDSs, these calculations were artificially high. One specific ingredient, 2,6-di-tert-butyl-p-cresol, aka butylated hydroxytoluene (BHT), is used as an antioxidant in some of the Escorene<sup>TM</sup> materials. This chemical has low volatility, so now, where information is available, emissions are being calculated based on certificate of analysis concentrations, process maximum temperature, and vapor pressure. Review of the revised calculations show that Paramelt is, and has been, in compliance with Rule 290 exemption requirements. The monthly emissions per emission unit are summarized in the electronic attachments to this letter.

Mr. Chris Robinson  
Notice of Violation, November 4, 2016  
M. Argüeso & Co., Inc. (DBA Paramelt)  
SRN: N7764

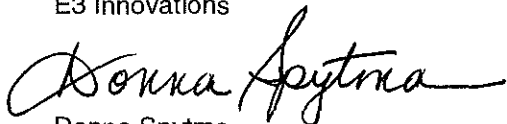
In addition to the on-going process of acquiring new and relevant material information, including current SDSs, specification sheets, certificates of analysis, and other relevant data, the database is being revised to reflect each individual emission unit. Initially, the original database will continue to be used to calculate point and fugitive emissions from the permitted emission units, EU-1 and EU-2, as applicable. A second database has been modified from the original permit database to reflect Rule 290-applicable emission units EU-13&14, EU-Specialty and EU-Reclaim.

Per discussions with you on October 28<sup>th</sup>, 2016, Paramelt is in the process of constructing a new building to the east of their current existing building. This new building will eventually house a new purpose-built hot melt facility replacing the current hot melt process. Based on extrapolated production volumes, it is expected that emissions will continue to fall within the Rule 290 PTI exemptions, summarized in the electronic attachments to this letter. However, based on product mix and anticipated higher production levels in the future, Paramelt has decided to initially operate this new hot melt facility under the Rule 290 Permit To Install exemption, but will also initiate the process of application for a PTI to cover potential future process volumes.

We hope the information contained in this letter explains the historic background and current procedures used in the calculation of Paramelt's air emissions. Due to the large volume of data contained in the monthly emission calculations, an electronic copy of this letter, along with copies of the revised Rule 290-applicable monthly calculations, are being emailed to you for review. The EU-2 calculations previously emailed to you have not been revised. An original-signature copy of this letter will follow via certified mail.

Paramelt looks forward to working with you and your staff in the development of the new PTI. To that end, we would like to request a conference call to discuss any questions you may have on this letter and attachments and initiate discussion on the issues associated with the development and timing of a new permit. Please contact us at your convenience to schedule this dialog. Your advice and assistance with this project is greatly appreciated.

Sincerely yours,  
E3 Innovations



Donna Spytma  
Senior EHS Specialist

pc: S. Hubbard, Paramelt  
D. Pekala, Paramelt  
E3I Electronic