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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ALABAMA  
NORTHEASTERN DIVISION

U.S. DISTRICT COURT  
N.D. OF ALABAMA

UNITED STATES OF AMERICA,	)
	)
Plaintiff,	)
	)
v.	)
	)
ENVIROMATE, LLC and PHILIP	)
A. GEDDES, individually and as the	)
managing member of the corporation,	)
	)
Defendants.	)

CV-09-S-0386-NE

COMPLAINT FOR  
CIVIL PENALTIES, INJUNCTION,  
AND OTHER RELIEF

Plaintiff, United States of America, acting upon the notification and authorization to the Attorney General by the Federal Trade Commission ("FTC" or "Commission"), for its Complaint alleges that:

1. Plaintiff brings this action under Sections 5(a)(1), 5(m)(1)(A), 13(b), 16(a), and 19 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 45(a)(1), 45(m)(1)(A), 53(b), 56(a), and 57b to obtain: (a) monetary civil penalties, an injunction, and other relief against Defendants Enviromate, LLC, a corporation, and Philip A. Geddes, individually and as the managing member of the corporation (collectively "Defendants"), for violations of the Commission's Trade Regulation Rule Concerning the Labeling and Advertising of Home Insulation ("R-value Rule" or "Rule"), 16 C.F.R. Part 460; and (b) a permanent injunction, rescission or reformation of contracts, restitution, refund of moneys paid, disgorgement of ill-gotten gains, and other equitable relief against Defendants for

engaging in deceptive acts or practices in connection with the advertising and sale of insulation products, in or affecting commerce, in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

### **JURISDICTION AND VENUE**

2. This Court has jurisdiction over this matter under 28 U.S.C. §§ 1331, 1337(a), 1345, and 1355 and under 15 U.S.C. §§ 45(m)(1)(A), 53(b), 56(a), and 57b.
3. Venue in the United States District Court for the Northern District of Alabama, Northeastern Division, is proper under 15 U.S.C. § 53(b) and under 28 U.S.C. §§ 1391(b) and (c) and 1395(a).

### **THE DEFENDANTS**

4. Defendant Enviromate, LLC (“Enviromate”) was incorporated as a single member limited liability company in Lawrence County, Alabama as FLG, LLC on December 4, 2002; FLG, LLC changed its name to Enviromate, LLC on June 6, 2006. Its street address is 13855 W. Court St., Moulton Alabama 35650, and its mailing address is P.O. Box 847, Moulton, Alabama 35650. It transacts, or has transacted, business in this District.
5. Defendant Philip A. Geddes is the sole member of Enviromate. At all times relevant to this Complaint, acting individually or in concert with others, Mr. Geddes formulated, directed, controlled, had authority to control, or participated in the acts or practices of Enviromate set forth in this Complaint. Mr. Geddes transacts, or has transacted, business in this District.

## COMMERCE

6. At all times relevant to this Complaint, the alleged acts and practices of Defendants have been in or affecting commerce, as “commerce” is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

## DEFENDANTS’ COURSE OF CONDUCT

7. At all times material herein, Defendant Enviromate has engaged in the manufacturing, advertising, offering for sale, sale, and distribution of a home insulation product that is called either PolyCell Composite 7 or PolyCell Composite 7-E (collectively “PolyCell Insulation”). PolyCell Insulation consists of loose-fill cellulose fiber insulation manufactured by Enviromate and then combined with a chemical additive (“PolyCell Chemical Additive”) manufactured by Working Chemical Solutions, Inc.
8. From at least September 2007 through February 2008, Defendants marketed and promoted PolyCell Insulation as having an R-value of at least R-7.1 per inch. R-value is a calculation used to measure resistance to heat flow. 16 C.F.R. § 460.5.
9. From at least September 2007, to induce consumers to purchase PolyCell Insulation, Defendants have created, reviewed, approved, and/or disseminated or caused to be disseminated promotional materials that make various claims regarding the thermal performance of PolyCell Insulation, including but not limited to the following:
  - (A) “Thermal Resistance 7.1 R/in. (at 4 in.)”  
(Exhibit 1 - PolyCell Insulation Product Label).

(B) **“Achievable Test Ranges for PolyCELL Composite 7 and Cellulose Fiber Insulation Combination:… Thermal Resistance R-5.9 to 7.5 per inch (ASTM C-518)…”**  
 (Exhibit 2 - Sales Aid).

(C) **“PolyCELL Composite 7-E Product Fact Sheet**

R-Value @ 75° F	As Applied (in.)	Minimum Thickness Settled (in.)
10	1.6	1.4
11	1.7	1.5
12	1.9	1.7
13	2.1	1.8
19	3.0	2.7
20	3.2	2.8
22	3.5	3.1
24	3.8	3.4
28	4.4	3.9
30	4.7	4.2
32	5.0	4.5
35	5.3	4.9
36	5.7	5.1
38	6.0	5.4
40	6.3	5.6
44	6.9	6.2
48	7.0	6.8
50	7.9	7.0
54	8.5	7.6
60	9.5	8.5

…”

(Excerpt from Exhibit 3 - PolyCell Insulation Product Fact Sheet).

(D) "R-Value / Mean R Value 7.1 per inch of applied material..."  
(Exhibit 4 - PolyCell Insulation Attic Card); (Exhibit 5 - NCVL R-Value Chart for PolyCell Insulation).

10. At all times material herein, Working Chemical Solutions, Inc. ("WCS"), the manufacturer of PolyCell Chemical Additive, operated as a testing lab, both as WCS and doing business as National Calibration and Validation Laboratories ("NCVL"). As a testing lab, WCS performed R-value tests and other tests on PolyCell Insulation, and reviewed, approved, and provided information for use in promotional materials for PolyCell Insulation.
11. In or about September 2007, WCS performed R-value tests on two samples of PolyCell Insulation and recorded R-values of R-6.9 and R-6.5. The tested samples had an average thickness of 1.9991 inches.
12. The SGS U.S. Testing Company Inc. ("SGS") performed R-value tests on PolyCell Insulation in January 2008, at the request of WCS, and in February 2008, at the request of Enviromate. The January 2008 tests indicated an R-value of R-6.8 for a 1.987 inch sample and an R-value of R-6.6 for a 1.991 inch sample. The February 2008 tests indicated an R-value of R-9.5 for a 2.759 inch sample.
13. None of Defendants' tests on PolyCell Insulation have yielded an R-value of R-7.1 for a one-inch sample or an R-value for a sample of PolyCell Insulation at a representative thickness that equals the R-values indicated on the product label. Similarly, none of Defendants' tests on PolyCell Insulation demonstrate that the R-values per inch of PolyCell Insulation do not drop as the product gets thicker.

14. In numerous instances since at least September 2007, in order to induce consumers to purchase PolyCell Insulation, Defendants have created, reviewed, approved, and disseminated promotional materials, such as Exhibit 2, which provide an R-value range for PolyCell Insulation, but neither provide the thickness required to attain that R-value nor indicate to what degree the R-value, on a per-inch basis, will decrease with increased thickness.

#### **DEFENDANTS' VIOLATIONS OF SECTION 5 OF THE FTC ACT**

15. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits unfair or deceptive acts or practices in or affecting commerce. As set forth below, the Defendants have engaged in such unlawful practices in connection with the marketing and sale of PolyCell Insulation.

#### **FALSE OR UNSUBSTANTIATED CLAIMS**

##### **Count I**

16. In numerous instances, in connection with the distribution, promotion, and sale of PolyCell Insulation, Defendants have represented, expressly or by implication, that PolyCell Insulation has an R-value of at least R-7.1 per inch and that it has the R-values at specific thicknesses identified in Paragraph 9(C), above.
17. The representations set forth in Paragraph 16 are false or were not substantiated at the time the representations were made. Therefore, the making of the representations set forth in Paragraph 16, above, constitutes a deceptive act or practice, in or affecting commerce, in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

#### **THE R-VALUE RULE**

18. The R-value Rule was issued by the Commission under Section 18 of the FTC Act, 15 U.S.C. § 57a. The Rule became effective on September 29, 1980. Since then, the Commission has issued several exemptions and stays that are not relevant to this action. The Commission amended the Rule on March 28, 1996, and on May 31, 2005, under Section 18 of the FTC Act, 15 U.S.C. § 57a, and these amendments became effective on April 29, 1996, and November 28, 2005, respectively. The Rule specifies substantiation and disclosure requirements for insulation products used in the residential market and prohibits certain claims unless they are true.
19. Section 460.4 of the R-value Rule specifies that the Rule applies “each time you . . . manufacture, distribute, sell . . . promote, or label home insulation,” as well as “each time you prepare, approve, place, or pay for home insulation labels, fact sheets, ads, or other promotional materials for consumer use.”
20. Section 460.5 of the R-value Rule requires that R-values given in labels, fact sheets, advertisements, and other promotional materials must be based on tests conducted under the methods listed in the Rule.
21. Under Section 460.6, tests for R-value can be conducted “at the thickness shown” on the label, fact sheet, ad, or other promotional material, or they can be conducted at a “representative thickness,” which is “a thickness at which the R-value per unit will vary no more than plus or minus 2% with increases in thickness.” Unless the R-value will not vary more than 2% with increases in thickness beyond the tested thickness, however, a “representative thickness” cannot be used to establish the R-values.
22. Under Section 460.8 of the R-value Rule, the R-value of any insulation sold by a

manufacturer cannot be more than 10% below the R-value shown in a label, fact sheet, ad, or other promotional material for that insulation.

23. Under Section 460.18(a) of the R-value Rule, insulation sellers that disclose the R-value of their insulation must also disclose the type of insulation and thickness needed to get that R-value.
24. Rule 460.20 expressly prohibits using the “R-value for one inch or the ‘R-value per inch’” of a product on labels, fact sheets, ads, or other promotional materials, unless “actual test results prove that the R-values per inch of your product do[] not drop as it gets thicker.” Similarly, if you list a range of “R-value per inch,” you must “say exactly how much the R-value drops with greater thickness.”
25. Pursuant to Section 18(d)(3) of the FTC Act, 15 U.S.C. § 57a(d)(3), a violation of the R-value Rule constitutes an unfair or deceptive act or practice in violation of Section 5(a)(1) of the FTC Act, 15 U.S.C. § 45(a)(1).

## **VIOLATIONS OF THE R-VALUE RULE**

### **Count II**

26. In numerous instances within the past five (5) years, Defendants, in connection with the manufacture, distribution, promotion, or sale of home insulation, have provided, prepared, approved, or supplied information used in promotional materials, R-values for PolyCell Insulation that were not based on tests at the specified thickness or at a representative thickness, as required by Sections 460.5(a) and 460.6 of the R-value Rule, thereby violating Sections 460.5 and 460.6 of the Rule.

### **Count III**

27. In numerous instances within the past five (5) years, Defendants have sold PolyCell Insulation where the actual R-value of the insulation was more than 10% below the R-value shown on the label, fact sheet, ads, or other promotional materials relating to that insulation, thereby violating Section 460.8 of the Rule.

**Count IV**

28. In numerous instances within the past five (5) years, Defendants, in connection with the manufacture, distribution, promotion, or sale of home insulation, have provided, prepared, approved, disseminated, or supplied information used in promotional materials, that provided a purported R-value for PolyCell Insulation but did not provide the thickness needed to get that R-value as required by Section 460.18(a) of the Rule, thereby violating Section 460.18(a) of the Rule.

**Count V**

29. In numerous instances within the past five (5) years, Defendants, in connection with the manufacture, distribution, promotion, or sale of home insulation, have provided, prepared, approved, disseminated, or supplied information used in promotional materials, that provided a purported "R-value per inch" for PolyCell Insulation without possessing actual test results to prove that the R-values per inch do not drop as the product gets thicker, as required by Section 460.20 of the Rule, thereby violating Section 460.20 of the Rule.

**CIVIL PENALTIES**

30. Defendants have violated the provisions of the R-value Rule as described above with knowledge as set forth in Section 5(m)(1)(A) of the FTC Act, 15 U.S.C. § 45(m)(1)(A).

31. Each dissemination of an advertisement and each product label, fact sheet, or other piece of promotional material distributed by Defendants for PolyCell Insulation during the last five (5) years with an R-value Rule violation, as described in Paragraphs 26-29, above, constitutes a separate violation for purposes of computing civil penalties.

#### **CONSUMER INJURY**

32. Consumers throughout the United States have suffered and continue to suffer substantial monetary loss as a result of Defendants' unlawful acts or practices. In addition, Defendants have been unjustly enriched as a result of their unlawful practices. Absent injunctive relief by this Court, Defendants are likely to continue to injure consumers, reap unjust enrichment, and harm the public interest.

#### **THIS COURT'S POWER TO GRANT RELIEF**

33. Section 5(m)(1)(A) of the FTC Act, 15 U.S.C. § 45(m)(1)(A), as modified by Section 4 of the Federal Civil Penalties Inflation Adjustment Act of 1990, 28 U.S.C. § 2461, and Section 1.98(d) of the FTC's Rules of Practice, 16 C.F.R. § 1.98(d), authorizes this Court to award monetary civil penalties of not more than \$11,000 for each violation of the R-value Rule.
34. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant injunctive and other ancillary relief, including but not limited to rescission of contracts and restitution, and the disgorgement of ill-gotten gains by the Defendants, to prevent and remedy any violations of any provision of law enforced by the FTC.

35. Section 19 of the FTC Act, 15 U.S.C. 57b, authorizes the Court to award such relief as is necessary to redress the injury to consumers or others resulting from Defendants' violations of the R-value Rule.

#### **PRAYER FOR RELIEF**

WHEREFORE, Plaintiff requests that this Court, as authorized by Sections 5(m)(1)(A), 13(b), and 19 of the FTC Act, 15 U.S.C. §§ 45(m)(1)(A), 53(b), and 57b, and pursuant to its own equitable powers:

- (A) Enter a permanent injunction to prevent future violations of the FTC Act and of the R-value Rule;
- (B) Award Plaintiff monetary civil penalties from Defendants for each violation of the R-value Rule;
- (C) Award such relief as the Court finds necessary to redress injury to consumers resulting from the Defendants' violations of the FTC Act and the R-value Rule, including but not limited to, rescission or reformation of contracts, refund of moneys paid, and the disgorgement of ill-gotten gains by the Defendants; and
- (D) Award Plaintiff the costs of bringing this action as well as such other and additional relief as the Court may determine to be just and proper.

Dated:

**OF COUNSEL:**

JAMES A. KOHM,  
Associate Director for Enforcement

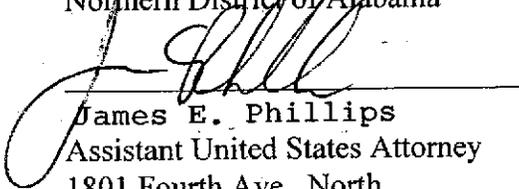
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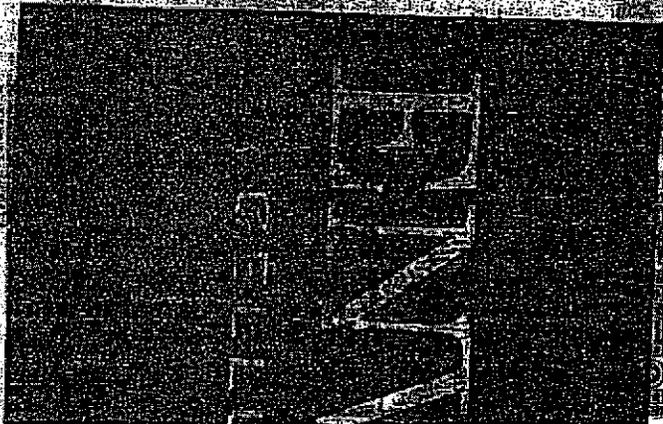
# **EXHIBITS**

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GOVERNMENT EXHIBIT 1



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MINIMUM



# PolyCell Composite 7

## Test Control Study of Typical Cellulose Insulation Materials:

Test September 2006 Using E-2 Cellulose Insulation Material Provided by Enviromate Insulation, LLC. ( Moulton Alabama ) Manufacture Date 08/20/07 Composite Formulation of Liquid and Dry Additive Poly Cell Composite 7™ Insulation Additive Test Conducted in Accordance with ASTM C-739-97 by NCVL (Cleveland Ohio). The results shown below are representative of results obtained when using PolyCell Composite 7™ Insulation Additive. Although representative every manufacturer of PolyCell Composite 7™ may have varying results based upon quality of cellulose used, run times, mixtures and application rates in testing. Although representative values appear below ONLY qualified and licensed manufacturers for the use of PolyCell may make the claims of increased R Value with the use of PolyCell Composite 7. All bags containing this product MUST be labeled with the brand name PolyCell Composite 7 clearly printed on the bag of cellulose insulation to make claims that PolyCell Composite 7 is in the working materials. Working Chemical Solutions, Inc and it's affiliates do not warrant claims other than those published by Working Chemical Solutions, Inc. (see our website at [www.workingchemicalsolutions.com](http://www.workingchemicalsolutions.com)) for further information. For a list of manufactures currently licensed to sell or include this or other flame retardants manufactured by Working Chemical Solutions, Inc. please visit our website as listed above.

### **Achievable Test Ranges for Poly Cell Composite 7 and Cellulose Fiber Insulation Combination:**

Paper Class : Type 8 or 9  
Moisture : Less Than 10%  
Formulation: Wet / Dry Volume to Weight proportioned during run  
Testing Frequency : 30 minute intervals  
Run Rate: 5 Bags per Minute  
Bag Size: 30 pound +/- 2%

Smoldering Combustion	<12%
Flame Spread	<15
Smoke Development	<5
Density Measurement	1.5lb/cu ft to 2.8lb/cu ft
Moisture Absorbtion	<12% under normal relative humidity conditions
Fungi Resistance	Typical / Resistant Per ASTM 739-97
Sound Transfer Class	>48 STC
Thermal Resistance	R-5.9 to 7.5 per inch (ASTM C-518)**

Working Chemical Solutions

000309



# PolyCELL Composite 7-E

## PRODUCT FACT SHEET

THIS INSULATION IS FOR LOOSE FILL AND STABILIZED APPLICATION

NET COVERAGE - ATTICS  
30 LB. BAG - SETTLED DENSITY 2.15 LBS./CU. FT.

R-Value @ 75°F	As Applied (in.)	Minimum Thickness Settled (in.)	Bags Per 1000 SQRF 2 ± 6 inches 16 in. OC	Net Coverage	Bags Per 1000 SQRF 2 ± 6 inches 24 in. OC	Net Coverage	Bags Per 1000 SQRF No Joists	Net Coverage	Minimum Weight
				SQRF / Bag	SQRF / Bag	SQRF / Bag	SQRF / Bag	Per Sq. Ft.	
10	1.6	1.4	7.7	140.9	7.3	138.3	7.3	127.9	0.23
11	1.7	1.5	7.8	129.1	8.1	124.0	8.6	116.2	0.26
12	1.9	1.7	8.5	117.4	8.8	112.7	9.4	103.5	0.28
13	2.1	1.8	9.2	108.4	9.6	105.0	10.2	98.3	0.31
19	2.8	2.7	13.5	74.2	13.9	71.8	14.0	67.3	0.45
20	3.3	3.0	14.2	68.5	14.7	66.2	15.6	63.0	0.47
22	3.5	3.1	15.2	63.7	15.9	61.0	17.2	56.1	0.52
24	3.8	3.4	16.9	59.6	17.4	57.4	18.8	53.3	0.56
26	4.4	3.9	19.9	50.2	20.0	48.6	21.9	45.6	0.63
30	4.7	4.2	21.5	46.6	22.1	45.2	23.5	42.6	0.70
32	5.0	4.5	23.0	43.4	23.7	42.2	25.0	39.9	0.75
35	5.3	4.8	25.4	39.4	26.0	38.4	27.4	36.5	0.82
36	5.7	5.1	26.2	38.2	26.8	37.3	28.2	35.9	0.85
38	6.0	5.4	27.7	36.1	28.4	35.2	28.7	33.8	0.90
40	6.3	5.6	29.3	34.1	30.0	33.4	31.3	32.0	0.94
44	6.9	6.2	32.4	30.8	33.1	30.2	34.4	29.0	1.03
48	7.9	6.8	35.6	28.1	36.2	27.8	37.6	26.6	1.13
50	7.9	7.0	37.1	26.9	37.8	26.3	39.1	25.6	1.17
54	8.5	7.6	40.2	24.8	40.9	24.4	42.3	23.7	1.27
66	9.9	8.3	48.9	20.3	45.6	21.3	46.9	21.3	1.41

This coverage chart is based on settled thickness and is for estimating purposes only. Do not exceed maximum square foot coverage per bag. Actual coverage will be influenced by job conditions and application techniques and may vary as much as 10% without significantly affecting the stated R-Value. Failure of the installer to provide at least the required number of bags per 1,000 square feet and at least the minimum thickness may result in a lower installed R-Value. Compaction may occur with installations above R-30, requiring more than the stated number of bags to obtain the minimum insulation thickness.

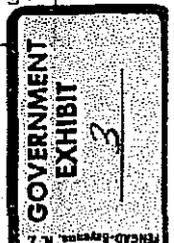
### READ BEFORE YOU BUY

#### WHAT YOU SHOULD KNOW ABOUT R-VALUES:

This chart shows the R-Value of this insulation. R means resistance to heat flow. The higher the R-Value, the greater the insulating power. Compare insulation R-Values before you buy. There are other factors to consider. The amount of insulation you need depends mainly on the climate you live in. Also, your fuel savings will depend upon the climate, the type and size of your house, the amount of insulation already in your house, your fuel use patterns and family size. If you buy too much insulation, it will cost you more than what you save on fuel. To get the marked R-Value, it is essential that cellulose insulation be installed properly.

PolyCELL • 13855 Court St. • P.O. Box 847 • Moulton, AL 35650

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## R-VALUE / Mean R Value 7.1 per inch of applied material Mean Density 2.34

LOOSE-FILL APPLICATION COVERAGE							
ATTIC							
R-Value @ 75°F Mean Temperature	Approximate Installed Thickness	Minimum Settled Thickness	Bags Per 1000 Sq.Ft. 2 X 6 inches 16 in. OC	Net coverage Sq.Ft. Per Bag	Bags Per 1000 Sq.Ft. No joists	Net Coverage Sq.Ft. /Bag	Minimum Weight Per Sq.Ft.
10	1.5	1.4	6.2	161.0	6.8	147.0	0.17
11	1.6	1.5	6.9	144.0	7.5	133.0	0.19
12	1.8	1.7	7.5	133.0	8.2	121.0	0.20
13	2.0	1.8	8.1	123.0	8.9	112.0	0.22
19	2.9	2.7	11.8	85.0	12.9	77.0	0.32
20	3.0	2.8	12.5	80.0	13.7	72.0	0.34
22	3.3	3.1	13.9	72.0	15.2	66.0	0.37
24	3.6	3.4	14.5	69.0	16.0	62.0	0.41
28	4.3	4.0	18.0	55.0	19.8	50.0	0.48
30	4.7	4.3	19.4	51.0	21.3	47.0	0.52
32	4.9	4.6	20.7	48.0	22.7	44.0	0.55
35	5.3	5.0	22.9	44.0	25.1	40.0	0.60
36	5.5	5.1	23.5	42.0	25.9	39.0	0.62
38	5.8	5.4	24.9	40.0	27.4	36.0	0.65
40	6.2	5.7	28.3	38.0	28.9	34.0	0.68
44	6.7	6.2	29.0	34.0	31.9	31.0	0.76
48	7.4	6.8	31.9	31.0	35.0	28.0	0.83
49	7.6	7.0	33.6	29.0	36.9	27.0	0.85
50	7.8	7.1	34.3	28.0	37.7	26.0	0.87
54	8.0	7.6	36.0	27.0	39.6	25.0	0.92
60	8.9	8.5	40.0	25.0	44.0	23.0	0.103

This product can be used for both loose-fill and stabilized applications.

### Contractors Statement

Date: \_\_\_\_\_ Company: \_\_\_\_\_ has installed \_\_\_\_\_ bags of Enviro-mate, LLC cellulose insulation,  
covering \_\_\_\_\_ SQ.FT. per bag at R-\_\_\_\_\_. Installed inches should be no less than \_\_\_\_\_.

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**R-VALUE / Mean R Value 7.1 per inch of applied material Mean Density 2.34**

LOOSE-FILL APPLICATION COVERAGE  
ATTIC

R-Value @ 75°F Mean Temperature	Approximate Installed Thickness	Minimum Settled Thickness	Bags Per 1000 Sq.Ft. 2 X 6 Inches 16 in. OC	Net coverage Sq.Ft. Per Bag	Bags Per 1000 Sq.Ft. No Joists	Net Coverage Sq.Ft. /Bag	Minimum Weight Per Sq.Ft.
10	1.5	1.4	6.2	161.0	6.8	147.0	0.17
11	1.6	1.5	6.9	144.0	7.5	133.0	0.19
12	1.8	1.7	7.5	133.0	8.2	121.0	0.20
13	2.0	1.8	8.1	123.0	8.9	112.0	0.22
19	2.9	2.7	11.8	85.0	12.9	77.0	0.32
20	3.0	2.8	12.5	80.0	13.7	72.0	0.34
22	3.3	3.1	13.9	72.0	15.2	66.0	0.37
24	3.6	3.4	14.5	69.0	16.0	62.0	0.41
28	4.3	4.0	18.0	55.0	19.8	50.0	0.48
30	4.7	4.3	19.4	51.0	21.3	47.0	0.52
32	4.9	4.6	20.7	48.0	22.7	44.0	0.55
35	5.3	5.0	22.9	44.0	25.1	40.0	0.60
36	5.5	5.1	23.5	42.0	25.9	39.0	0.62
38	5.8	5.4	24.9	40.0	27.4	36.0	0.65
40	6.2	5.7	26.3	38.0	28.9	34.0	0.68
44	6.7	6.2	29.0	34.0	31.9	31.0	0.76
48	7.4	6.8	31.9	31.0	35.0	28.0	0.83
49	7.6	7.0	33.6	29.0	36.9	27.0	0.85
50	7.8	7.1	34.3	28.0	37.7	26.0	0.87
54	8.0	7.6	36.0	27.0	39.6	25.0	0.92
60	8.9	8.5	40.0	25.0	44.0	23.0	0.103

This product can be used for both loose-fill and stabilized applications.

Quality Assurance: \_\_\_\_\_

Test to include samples CT 28493-CT 28562. Testing performed on September 15, 2007.



## REASONS FOR SETTLEMENT

This statement accompanies the Stipulated Judgment and Order for Injunction and Other Relief, executed by defendants Enviromate, LLC, and Philip A. Geddes in settlement of an action brought to recover penalties and injunctive relief from defendants for engaging in acts or practices in violation of the Section 5 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 45, and the Commission's Trade Regulation Rule Concerning the Labeling and Advertising of Home Insulation ("R-value Rule"), 16 C.F.R. Part 460.

Pursuant to Section 5(m)(3) of the FTC Act (15 U.S.C. § 45(m)(3)), the Commission hereby sets forth its reasons for settlement by entry of a Stipulated Judgment:

The Commission believes that, based on the financial statements and supporting evidence provided by the defendants, the defendants lack the ability to pay a civil penalty or to pay a civil penalty and to continue to do business. In light of these factors and the defendants' relative culpability, the Commission believes that no civil penalty is appropriate in this case. Nonetheless, the Stipulated Judgment permanently enjoins the defendants from engaging in acts or practices that are prohibited by the FTC Act or the R-value Rule, which should help assure compliance with the law by the defendants and by others who may be in violation of these laws. With the entry of such Stipulated Judgment, the time and expense of litigation will be avoided.

For the foregoing reasons, the Commission believes that the settlement by entry of the attached Stipulated Judgment with Enviromate, LLC, and Philip A. Geddes is justified and well within the public interest.