

From the Leading Provider of Environmental Due Diligence Services in North Texas...

November 2009



Pinnacle Perspective

Environmental Due Diligence

Welcome to *Pinnacle Perspective*



The *Pinnacle Perspective* is Pinnacle Environmental's monthly newsletter that highlights due diligence stories and upcoming events. We strive to keep you, our client, informed and up-to-date with industry news and standards.

SBA Update

MYTHBUSTER ALERT

Here at Pinnacle, we'd like to unveil some false truths about SBA environmental due diligence requirements. Lately we have had a few people come to us confused and misled about this topic: "What type of property requires an automatic Phase II with the SBA?"

Answer: Currently, the only property that requires an automatic Phase II is a drycleaning facility with on-site drycleaning that is over 5 years old. All other environmental reports are based on NAICS codes.



Fixed Pricing...

An Easier Way to Order Your Environmentals

To show appreciation to our SBA Bankers, Pinnacle is offering a set price on all Phase I's and ETS's in and around the Metroplex. We want to help make the end of year as simplified as possible for our customers, and would like to help you complete your SBA-driven deals smoothly and efficiently.

Therefore,

- All SBA-driven Phase I AAI Reports will not exceed \$1,300.00*
- All SBA-driven ETS Reports will not exceed \$800.00*

*The above referenced pricing is based on AAI/ETS Reports performed in the

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[Join Our Mailing List!](#)

Upcoming Events

[NTAGGL Holiday Party](#)
December 2, 2009

"Thank you..."

...Pinnacle Environmental and your staff for all the work you have performed for our company over the years!"

-Mike Wells, President, Wells Asset Management, Inc.

Let Us Assist You!

We can help your bank reduce environmental liability.

Contact [Jeff White](#)

IN the KNOW

Keep up with the Newest Regulations

- [TCEQ](#)
- [SBA](#)

Got News?

Have exciting news you'd like to share?

Let us know and we'll include it in upcoming newsletters!

following counties: Wise, Denton, Collin, Rockwall, Kaufman, Ellis, Johnson, Hood, Parker, Tarrant and Dallas.

For more information, Contact [Andrea](#).

Contact [Andrea](#)

"Pinnacle...

...provides our clients with excellent responsiveness and communication..."

-Mark Miller, President, Robert Lynn Company

Company News



Champions Defeated

As the reigning champions of the green, Pinnacle was dethroned in this year's "Second Annual Ken Byrd Cancer Survivor Charity Golf Classic." Although disappointed in ourselves, we remain vigilant in our efforts to give back to the community.

· Pinnacle has been a sponsor of this tournament for the past two years in order to benefit Lymphoma Cancer research.

· Organizations like the Leukemia & Lymphoma Society depend upon donations to save and extend the lives of cancer patients.

· Please visit their website to learn more about this cause.

[The North Texas Leukemia and Lymphoma Society](#)

FDIC Drives Wave of Due Diligence

" One result of the current recession is the current scrutiny being placed in the poor underwriting practices of 2005 to early 2007..."

1 As the pace of bank failures rises, the FDIC has emerged as a major driver of environmental due diligence. When a bank fails, the FDIC is often appointed as receiver. After the FDIC receives the real property assets of the failed bank, a number of "closing support functions" need to occur, including environmental investigations. Many environmental professionals are already doing this type of work-- or soon will be. [Read more](#)

1 Article Source: EDR Insider, FDIC Drives Wave of Due Diligence, http://www.elabs7.com/functions/message_view.html?mid=860323&mlid=10412&siteid=29083&uid=c0b915634#top_story

Picking Jeff's Brain



What is a Phase I?

This section is Part 1 of a 10-part discussion covering the fundamentals of EDD, provided by our expert Environmental Scientist, Jeff White.

By a show of hands, how many of you have had a deal fall apart because of a bad environmental report? I see that a few of you are too shy to raise your hand. The simple fact is that environmental due diligence, like it or not, is now part of the loan process. Yes, I agree that there are times when environmental due diligence is not entirely necessary. But, I have seen on many occasions when a lack of environmental due diligence, or poor due diligence, has cost property owners hundreds of thousands of dollars for a "crime" that they didn't commit.

And, I've seen lenders lose money on properties they can't sell, sometimes on multiple occasions. As my old Master Sergeant once told me, it takes some people a few times of getting kicked in the head before they understand it's not safe to lie down on the dance floor. I have been cursed for identifying conditions which have killed deals, but I have also been sent gifts by clients who I helped avoid buying "hidden liabilities." Please remember that all gifts are accepted.

Environmental Due Diligence (EDD) is not nuclear physics, but it does take experience and technical expertise to separate the good, the bad, and the ugly. I do not expect you, the lender, to be an environmental expert and I pray you never call me for loan advice. But as a lender, you will spend time trying to explain to your client what all that environmental garbage means. Have no fear; I will hopefully help you understand what we do in order to help you make better decisions. Lesson 1 - EDD and those who can perform it are governed by Federal Law. In November 2006, the Environmental Protection Agency (EPA) promulgated the future of environmental due diligence by way of the All Appropriate Inquiry (AAI).

AAI is similar to the older Phase I Environmental Site Assessment (ESA), but includes additional criteria that the Environmental Professional (EP) must follow. Most importantly (pay attention to this), it defines who is an EP. Legally, the days of hanging a sign on your garage door are over...at least in most cases. My best advice to any lender is to question the person who is asking for your business in order to verify that they are an EP. Second, ask them what remediation experience they have. The reason for this question is that anyone in the environmental field can walk a property and identify issues, but only those with experience in remediation can assess the identified issues. Your family doctor can identify a heart problem, but you do not want him performing open heart surgery. The same is true for EDD, and someone with remediation experience can identify the problem and assess the risks. This will save you the heartache and your client money by not having to pay for unnecessary tests.

As we continue, I will hopefully dazzle you with my knowledge and continue to assist you with understanding what EDD is all about. Until next time, please remember that I do not charge to answer questions. In fact, the more questions you ask the easier our job becomes. So, fire away.

Contact [Jeff](#)

Meet a Team Member

AT A GLANCE

Troy Maxwell, CAPM

Director of Field Operations



Troy manages all field activities related to Phase I & II Site Assessments; Leaking Petroleum Storage Tank (LPST) and Voluntary Cleanup Program (VCP) sites; Installation of groundwater monitoring wells; Groundwater sampling; Soil sampling; Phase separated hydrocarbon recovery; Vapor surveys; Site mapping/surveying; Underground Storage Tank (UST) removal activities; IOP and DCRP applications.

Troy joined Pinnacle in 2007, and holds an Aquatic Biology degree from Stephen F. Austin State University. In his free time, he enjoys all things outdoors and spending time with his wife Jody, and his three children. He also gives back to his community as a deacon at the Walnut Ridge Baptist Church in Mansfield, TX.

Contact [Troy](#)

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