1	ROB BONTA	
2	Attorney General of California PAULA BLIZZARD (SBN 207920)	Superior Court of California
3	Senior Assistant Attorney General MICHAEL W. JORGENSON (SBN 201145)	County of Los Angeles
4	Supervising Deputy Attorney General PAUL CHANDER (SBN 305133)	AUG 29 2024
5	QUYEN D. TOLAND (SBN 195429) DIVYA B. RAO (SBN 292853) PAMELA PHAM (SBN 235493)	David W. Slayton, Executive Officer/Clerk of Court By: R. Alva, Deputy
6	Deputy Attorneys General	
7	300 South Spring Street, Suite 1702 Los Angeles, CA 90013-1230 Telephone: (213) 269-6000	[For Francisco Desc Code Code Code Code Code Code Code Code
8	E-mail: Paul.Chander@doj.ca.gov	[Fee Exempt Per Gov. Code § 6103]
9	Attorneys for the People of the State of California	
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11	SUPERIOR COURT OF THE STATE OF CALIFORNIA COUNTY OF LOS ANGELES	
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13		,
14	THE PEOPLE FOR THE STATE OF CALIFORNIA,	Case No. 24STCV21330
15	Plaintiff,	STIPULATION FOR ENTRY OF FINAL JUDGMENT AND PERMANENT INJUNCTION
16	v. ·	INCONCINCTION
17	WESTERN VALLEY MEAT COMPANY,	
18	Defendant.	
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Plaintiff, the People of the State of California ("People" or "Plaintiff"), through its attorney Rob Bonta, Attorney General of the State of California, Senior Assistant Attorney General Paula Blizzard, Supervising Deputy Attorney General Michael Jorgenson, and Deputy Attorneys General Paul Chander, Quyen Toland, Divya Rao, and Pamela Pham, acting on behalf of the People of the State California; and Defendant Western Valley Meat Company, a California corporation ("Defendant" or "WVM"), appearing through its attorneys David Kesselman and Abiel Garcia of Kesselman Brantly Stockinger LLP, hereby stipulate as follows:

- 1. On April 26, 2024, Cargill Meat Solutions Corporation's ("Cargill") and WVM entered into a certain Asset Purchase Agreement ("APA") pursuant to which WVM will purchase substantially all of the assets used in the operation of the Fresno facility currently owned by Cargill (the "Acquisition"). Such APA also provides for West Valley Investments LLC to purchase the real property at which the Fresno facility is located and lease-back to Cargill a portion of the premises that the parties refer to as the Foodservice Grind Facility.
- 2. On August 21, 2024, the People of the State of California filed a complaint (the "Complaint"), against Defendant WVM. In the Complaint, the People allege that WVM's acquisition of Cargill's slaughter facility in Fresno, CA, could (i) raise potential anticompetitive concerns (ii) result in unfair competition and (iii) constitute an unlawful business practice, within the meaning of California Business and Professions Code § 17200 (collectively, the "Claim").
- 3. Defendant denies the allegations in the Complaint, disputes the Claim, and does not admit any liability to the People or otherwise arising out of or in connection with the allegations in the Complaint.
- 4. The Plaintiff and Defendant (collectively, "the Parties") intend to resolve the Claim without the need for litigation through the entry of a Stipulation and Final Judgment among the Plaintiff and Defendant concerning the proposed Acquisition that establish certain conditions to ensure the operation of the facility as well as the retention of certain employees.

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- 5. Nothing in this Stipulation and Final Judgment shall constitute an admission of any fact or law by any Party, including as to any factual or legal assertion set forth in the Complaint, except for the purpose of enforcing the terms or conditions set forth herein.
- 6. The Final Judgment and Permanent Injunction ("Judgment"), a true and correct copy of which is attached as **Exhibit 1**, may be entered by any judge of the Los Angeles County Superior Court.
- 7. The Plaintiff may submit the Judgment to any judge of the superior court for approval and signature, based on this stipulation, during the court's ex parte calendar or on any other ex parte basis, without notice to or any appearance by Defendant, which notice and right to appear the Defendant hereby waives.
- 8. Plaintiff and Defendant hereby waive their right to move for a new trial or otherwise seek to set aside the Judgment through any collateral attack, and further waive their right to appeal from the Judgment, except that Plaintiff and Defendant each agree that this Court shall retain jurisdiction for the purposes specific in paragraph 13 of the Judgment.
- 9. The Parties have stipulated and consented to the entry of the Judgment without the taking of proof and without trial or adjudication of any fact or law herein.
- 10. Defendant will accept service of any Notice of Entry of Judgment entered in this action by delivery of such notice to its counsel of record, and agree that service of the Notice of Entry of Judgment will be deemed personal service upon it for all purposes.
- 11. The individuals signing below represent that they have been authorized by the parties they represent to sign this Stipulation.
- 12. This Stipulation may be executed in counterparts, and the Parties agree that a facsimile or scanned PDF signature shall be deemed to be, and shall have the full force and effect as, an original signature.

1 2 3 4			ROB BONTA Attorney General of State of California PAULA BLIZZARD Senior Assistant Attorney General MICHAEL W. JORGENSON Supervising Deputy Attorney General
5	DATED. 9/24/2024	_	ROCOD
6	DATED:8/21/2024	Ву:	PAUL CHANDER
7			QUYEN D. TOLAND DIVYA B. RAO PAMELA PHAM
8			Deputy Attorneys General Attorneys for Plaintiff
9			•
10	COUNSEL FOR DEFENDANT		
11	WESTERN VALLEY MEAT COMPANY		
12	DATED: 08/21/24	D	A Maria
13	DATED. OCIATOS	Ву:	David W. Kesselman, Esq. Abiel Garcia, Esq.
14			Attorneys for Western Valley Meat Company
15			Company
16			
17	DEFENDANT WESTERN VALLEY MEAT COMPANY		
18			\mathcal{D}
19	DATED: 8/20/24	Ву:	Brian Coelho
20			President Western Valley Meat Company
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	STIPHEATION FOR ENTRY OF E	3 1NAL IUI	
li li	STIPULATION FOR ENTRY OF FINAL JUDGMENT AND PERMANENT INJUNCTION		

Exhibit 1

1 **ROB BONTA** Attorney General of California 2 PAULA BLIZZARD (SBN 207920) FILED Superior Court of California County of Los Angeles Senior Assistant Attorney General 3 MICHAEL W. JORGENSON (SBN 201145) Supervising Deputy Attorney General AUG 29 2024 Paul Chander (SBN 305133) QUYEN D. TOLAND (SBN 195429) David W. Slayton, Executive Officer/Clerk of Court 5 DIVYA B. RAO (SBN 292853) By: R. Alva, Deputy PAMELA PHAM (SBN 235493) 6 Deputy Attorneys General 300 South Spring Street, Suite 1702 7 Los Angeles, CA 90013-1230 Telephone: (213) 269-6000 8 E-mail: Paul.Chander@doj.ca.gov Attorneys for the People of the State of California [Fee Exempt Per Gov. Code § 6103] 10 SUPERIOR COURT OF THE STATE OF CALIFORNIA 11 **COUNTY OF LOS ANGELES** 12 13 THE PEOPLE FOR THE STATE OF Case No. 24STCV21330 14 CALIFORNIA, Assigned for All Purposes to the 15 Hon. Plaintiff, 16 FINAL JUDGMENT AND ٧. PERMANENT INJUNCTION 17 WESTERN VALLEY MEAT COMPANY. 18 Defendant. Case Filed: August 21, 2024 19 Trial Date: Not Set 20 21 22 Plaintiff, the People of the State of California ("People" or "Plaintiff"), through its attorney Rob Bonta, Attorney General of the State of California, Senior Assistant Attorney General Paula Blizzard, 23 Supervising Deputy Attorney General Michael Jorgenson, and Deputy Attorneys General Paul 24 Chander, Quyen Toland, Divya Rao, and Pamela Pham, acting on behalf of the People of the State 25 26 California; and Defendant Western Valley Meat Company, a California corporation ("Defendant" or 23 "WVM"), appearing through its attorneys David Kesselman and Abiel Garcia of Kesselman Brantly Stockinger LLP, having stipulated and consented to the entry of this Final Judgment and Permanent

[PROPOSED] FINAL JUDGMENT AND PERMANENT INJUNCTION

Injunction ("Judgment") without the taking of proof and without trial or adjudication of any or law, without this Judgment constituting evidence of or an admission by Defendant regarding any issue of law or fact alleged in the Complaint on file, and without Defendant admitting any liability, and with all parties having waived their right to appeal, and the Court having considered the matter and good cause appearing:

IT IS HEREBY ADJUDGED, ORDERED, AND DECREED as follows:

I. JURISDICTION AND VENUE

1. This court has jurisdiction over the allegations and subject matter of the Complaint filed in this action and the Parties to this action; venue is proper in this county; and the court has jurisdiction to enter this Judgment as stipulated here as follows.

II. **DEFINITIONS**

- 2. Terms that are defined in this Judgment are defined for purposes of this Judgment only and are not applicable for any other purpose. Whenever the terms set forth below are used in this Judgment, the following definitions shall apply:
 - a. "Business Day" means a calendar day that does not fall on a Saturday, Sunday, or federal or California holiday. In computing any perfod of time under this Judgment, where the last Day would fall on a Saturday, Sunday, or federal or California holiday, the period shall run until the close of business of the next Business Day;
 - b. "California" means the People of the State of California, acting by and through the California Attorney General;
 - c. "California Attorney General" or "CAG" means the California Attorney General's
 Office and any of its successor departments or agencies;
 - d. "Complaint" means the complaint filed by California in this action;
 - e. "Judgment" means this judgment;
 - f. "Day" means a calendar day, unless expressly stated to be a Business Day;
 - g. "Fresno Facility" means the slaughter facility located in Fresno, California that was

previously owned by Cargill Meat Solutions.

III. INJUNCTIVE RELIEF REGARDING OPERATION OF THE FRESNO FACILITY

- 3. Subject to the exceptions set forth below, WVM will agree to operate the Fresno Facility (other than the Foodservice Grind Facility that is run by Cargill) in the ordinary course of business for one calendar year after the closing of the transaction contemplated by the APA ("Operations Term").
 - 4. Exceptions to such requirement expressed in Paragraph 3 are as follows:
 - a. Sale of substantially all of the assets of WVM to a third party on arm's length basis terms; or
 - b. A sale of controlling interest of the equity of WVM to a third party on arm's length basis term; or
 - c. Results of operations that, when measured on a calendar month basis, demonstrate retained earnings or the value of WVM's assets that are less than the level required by California Corporations Code section 500 to make distributions to shareholders; or
 - d. Loss of a customer(s) that provides more than an aggregate of ten percent (10%) of the gross revenue of WVM that is not replaced within thirty (30) days; or
 - e. WVM becoming insolvent or filing/having filed against it a bankruptcy case, assignment for benefit of creditors, receivership or similar remedy; or
 - f. Force majeure type events (e.g., government agency orders or requests to shut down the facility, shutdowns due to a product recall, pandemic or epidemic, earthquake damages facility, etc.); or
 - g. Any government agency order or request other than those set forth in subsection (f) above.
- 5. To the extent that during the Operating Term WVM intends to operate the Fresno Facility (other than the Foodservice Grind Facility) outside of the ordinary course of business due to the occurrence of one or more of the exceptions listed in Paragraph 4, WVM will provide written notice to the CAG ("Notice of Deviation"). Such Notice of Deviation shall identify which of the exceptions in Paragraph 4 have occurred and the proposed deviation from operations in the ordinary

course of business. Such Notice of Deviation shall be accompanied by reasonable supporting documentation that the CAG shall treat as confidential, proprietary trade secret information of WVM as if it had been obtained pursuant to Cal. Govt. Code § 11180 et seq. WVM shall make itself available for discussion with the CAG and will provide it with additional items of information that are reasonably requested; such discussions and information also will be treated as confidential, proprietary trade secret information of WVM as if it had been obtained pursuant to Cal. Govt. Code § 11180 et seq.

- 6. WVM shall be permitted to deviate from operations in the ordinary course of business in the manner(s) set forth in the Notice of Deviation in the event that (i) WVM does not receive written notice of objection from the CAG within seven (7) Days after the CAG's receipt of the Notice of Deviation if the exception is one that is set forth in Paragraph 4, subsections (a), (b), (c), (d), or (e); or (ii) WVM does not receive written notice of objection from the CAG within (1) Business Day after CAG's receipt of the Notice of Deviation if the exception is one that is set forth in Paragraph 4, subsection (f); or (iii) WVM does not receive written notice of objection from the CAG within five (5) Business Days after the CAG's receipt of the Notice of Deviation if the exception is one that it set forth in Paragraph 4, subsection (g); or (iv) WVM receives written notice (email acceptable) from the CAG approving the proposed deviation from operations in the ordinary course of business.
- 7. In the event that the CAG timely provides written notice of objection, it and WVM shall attempt reasonably and in good faith to consensually resolve such objection for forty-five (45) Days thereafter. That period may be extended by mutual written agreement of the parties. If the parties are unable to consensually resolve such objection within such time period, either party may petition this Court on an ex parte basis to make a ruling on whether or not WVM shall be permitted to deviate from operations in the ordinary course of business in the manner set forth in the Notice of Deviation. This Court shall consider all appropriate legal and equitable principles that are applicable. Any such ruling shall be binding on the CAG and WVM.
- 8. Finally, the CAG and WVM recognize that business and market conditions can change and, at any time during the Operating Term, WVM can request that the CAG permit the operation of the Fresno Facility (other than the Foodservice Grind Facility) outside of the ordinary course of business during the Operations Term. Such deviation shall be permitted with the prior written consent

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of the CAG (email acceptable).

IV. INJUNCTIVE RELIEF REGARDING EMPLOYEE RETENTION

- 9. Subject to the exceptions set forth below, notwithstanding anything set forth in Section 6.3(b) of the APA, WVM will offer employment for one calendar year after the closing of the transaction contemplated by the APA ("Employment Term") to those current Cargill employees that WVM previously indicated to Cargill that it planned to hire ("Employees"). Such employment shall be on terms no less favorable than those provided to comparable employees of Central Valley Meat Co., Inc. In addition, WVM will fully perform the covenant set forth in Section 6.3(a) of the APA with respect to maintenance of base salaries for such Employees.
 - 10. Exceptions to such requirement expressed in Paragraph 9 are as follows:
 - a. Deviation from operations in the ordinary course of business of the Fresno Facility that are permitted by this Judgment; or
 - b. Termination for "cause" (as defined below); or
 - c. Failure to meet the requirements for lawful employment within the State of California; or
 - d. Voluntary reassignment or relocation of an Employee to an affiliate of WVM (provided, that, the applicable Employee will be provided with written notice of his/her right not to be reassigned or relocated).
 - 11. Solely for purposes hereof, "cause" shall mean:
 - a. As set forth in R.J. Cardinal Co. v. Ritchie (1963) 218 Cal. App. 2d 124, 144-145; or
 - b. Misconduct that (i) violates an essential condition of employment; (ii) breaches the trust inherent in the employment relationship; and/or (iii) is materially inconsistent with the employer's reasonable expectations of the employee's performance.
- 12. Finally, the CAG and WVM recognize that business and market conditions can change and, at any time during the Employment Term, WVM can request that the CAG permit WVM to not fully comply with the obligations set forth in Paragraph 9. Such change in compliance shall be permitted with the prior written consent of the CAG (email acceptable).

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V. <u>MISCELLANEOUS PROVISIONS</u>

- 13. The Court shall retain jurisdiction of this Judgment and the Parties hereto for the purpose of enforcing, modifying, and/or terminating this Judgment and for the purpose of granting such additional relief as may be necessary and appropriate. This Judgment is binding upon all Parties hereto. The injunctive provisions of this Judgment shall apply to WVM, as well as its subsidiaries, successors, and assigns of its assets or employees, or to any entity controlling the assets as a result of a reorganization of WVM.
- 14. The Judgment is enforceable only by the Parties. No person or entity is intended to be a third-party beneficiary of the provisions of the Judgment for purposes of any civil, criminal, or administrative action, and accordingly, no person or entity may assert any claim or right as a beneficiary or protected class under the Judgment. WVM denies the allegations in the Complaint. Nothing in this Judgment or the Complaint is intended to be used by third parties to create liability by or against WVM or any of their officials, agents, employees or affiliates under any federal, state, or municipal law.
- 15. Unless stated otherwise in this Judgment, if either Party disagrees with any aspect of the implementation or enforcement of this Judgment, that Party will engage in good faith informal consultation with the other party to attempt to resolve the disagreement. If the disagreement persists, within 10 Days of notification of the disagreement, the Parties will meet and confer on the disagreement at a mutually agreeable time. If necessary, after the meet and confer, any party may petition the Court on an ex parte basis thereafter to resolve the dispute. This Court shall consider all appropriate legal and equitable principles that are applicable.
- 16. All notices relative to this Agreement shall be given in writing and shall be sent by email and first class, certified mail, or by overnight delivery service to the following. Any party may update its designee or address by sending written notice to the other party informing them of the change.

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a. For the People of the State of California:

Deputy Attorney General Paul Chander Antitrust Section Office of the Attorney General 300 South Spring Street, Suite 1702 Los Angeles, California 90013 Paul.Chander@doi.ca.gov Paula.Blizzard@doj.ca.gov Michael.Jorgenson@doj.ca.gov Divya.Rao@doj.ca.gov Pamela.Pham@doj.ca.gov Quyen. Toland@doj.ca.gov

b. For Defendant:

Brian Coelho Western Valley Meat Company, Inc. 10431 8 3/4 Avenue Hanford, CA 93230 legalnotices@westernvalleymeat.com

With a copy (which shall not constitute notice) to:

Abiel Garcia David Kesselman Kesselman Brantly Stockinger 1230 Rosecrans Avenue, Suite 400 Manhattan Beach, CA 90266 agarcia@kbslaw.com dkesselman@kbslaw.com

Andrew Apfelberg Greenberg Glusker 2049 Century Park East, 26th Floor Los Angeles, CA 90067 AApfelberg@ggfirm.com

- c. Any additional or different notice recipients that the Parties may agree to in writing.
- WVM and the CAG may jointly stipulate to make changes, modifications, and 17. amendments to this Judgment. Such changes, modifications, and amendments to this Judgment will be encouraged when the Parties agree that provisions of this Judgment as drafted is not furthering the purpose of this Judgment or that there is a preferable alternative that will achieve the same purpose. The Parties may jointly move for an approval of any proposed changes, modifications, and/or amendments, which will become effective upon approval by the Court. No change, modification, or amendment to the Judgment will have any force or effect if not set forth in writing, signed by all the

Parties to the Judgment, and approved by the Court.

18. The Clerk is ordered to enter this Judgment forthwith.

Dated and entered this day of _

, 2024

LOS ANGELES SU

R COURT JUDGE

DECLARATION OF SERVICE BY E-MAIL

Case Name: The People of the State of California v. Western Valley Meat Company

Case No.: **24STCV21330**

I declare:

I am employed in the Office of the Attorney General, which is the office of a member of the California State Bar, at which member's direction this service is made. I am 18 years of age or older and not a party to this matter. I am familiar with the business practice at the Office of the Attorney General for processing correspondence via electronic mail.

On August 26, 2024, I served the attached STIPULATION FOR ENTRY OF FINAL JUDGMENT AND PERMANENT INJUNCTION by transmitting a true copy via electronic mail, addressed as follows:

PLEASE SEE ATTACHED SERVICE LIST

I declare under penalty of perjury under the laws of the State of California and the United States of America the foregoing is true and correct and that this declaration was executed on **August 26, 2024**, at Los Angeles, California.

R. Gutierrez

Declarant

R. Gutierrez

R. Gutierrez

Signature

SF2024602467 67037224.doex

DECLARATION OF SERVICE BY E-MAIL

Case Name: The People of the State of California v. Western Valley Meat Company

Case No.: **24STCV21330**

David W. Kesselman, Esq.

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