

# Business & Ag

## Judgments awarded against Tasty Bake last month

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Judgments against local former pizza dough producer Tasty Bake, Inc. were entered in Baker County Circuit Court, in April and last month, due to a lack of response from the company, to lawsuits filed earlier this year. One judgment was awarded to former owners, Idaho-based Peter R. Johnson and Brenda K. Johnson, totaling \$754,438.43 plus accruing interest. The other, to Wisconsin-based Lesaffre Yeast Corporation, totaling \$21,082.75, plus accruing interest.

An Order of Default for Failure to Appear was granted against the defendants, which includes Illinois-based Cereal Holding Company, in the Johnsons's lawsuit (filed on March 14, 2016), and the aforementioned judgment was then awarded on August 16, 2016, according to County records. The Johnsons's judgment includes the following:

An award of \$203,250, plus accruing interest, at the rate of 7% per year, from April 1, 2015, until

paid, against defendant Cereal Holding Company; foreclosure of the mortgage, including sale of the property, at 1945 8th Street, by the Baker County Sheriff's Office, to satisfy the judgment; an award of \$535,000, against defendant Cereal Holding Company, in economic damages, for Fraud, and Breach of Contract; an award of \$1,960.93, against defendant Cereal Holding Company, for Breach of Employment Contract; and an award, against defendant Cereal Holding Company, of all prejudgment interest of \$14,227.50, all plaintiffs' attorney fees, costs and disbursements incurred in the lawsuit, and for other relief as the Court deems just and equitable (to be determined, by Supplemental Judgment).

An Order of Default was also granted against Tasty Bake, Inc., in the Lesaffre Yeast Corporation lawsuit (filed on March 2, 2016), and judgment was awarded on April 20, 2016, according to County records. Lesaffre's judgment includes the following:

An award of \$21,082.75,

plus prejudgment interest, accruing at the rate of 9% per year, from September 11, 2015 (this was noted as \$784.96, as of April 14, 2016); costs and disbursements, of \$337; and a prevailing party fee, of \$300.

As chronicled in the Friday, April 8, 2016, and Friday, April 22, 2016 issues of *The Baker County Press*, the core of the current legal issues apparently began with a change in ownership, in the fall of 2014, when Illinois-based Yasar Samarah acquired Tasty Bake, from the Johnsons, who were the former owners, from 2001 up until that time. The Johnsons had acquired Tasty Bake from original owners, Roger Brown, and Donn Mires.

Earlier this year, after a major presence in Baker City for over 30 years, Tasty Bake abruptly halted distribution, surprising not only employees, but also sales brokers for its products, and clients, as well. The Johnsons sued Tasty Bake, Inc., and Cereal Holding Company (Samarah was listed as Tasty Bake President, and Cereal Holding Company

Vice President), claiming that Cereal Holding Company fraudulently misrepresented that it would make a significant capital investment in Tasty Bake; that it would hire a qualified sales team, to expand the business; and that it would make every effort to grow, and expand Tasty Bake. They claimed that, after the sales contract was executed, Cereal Holding Company "...made little or no effort to grow Tasty Bake, or to even maintain Tasty Bake's current business."

Lesaffre Yeast Corporation claimed that it provided Tasty Bake with baking materials, including Lesaffre's SAF Instant Red Mix Dry Yeast, Red Star Double-Acting Baking Powder, and Red Star Active Dry Yeast, on five different dates, without receiving payment for the products, after repeated requests and demands.

There is no indication at this time that Samarah has responded to either lawsuit, and the lawsuits are considered to be in a "closed" status, according to Circuit Court records.

## County Commissioners

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Citizen Participation included comments from Wanda Ballard, who said she really enjoyed and appreciated last Wednesday's agency-to-agency United States Forest Service (USFS) coordination meeting, between the Board, and Wallowa-Whitman Forest Supervisor Tom Montoya, Whitman District Ranger Jeff Tomac, and Northeast Oregon Land Zone Lead Laura Livingston, and it was a great opportunity for public input, though there continue to be disagreements. Harvey echoed those thoughts.

Ed Hardt said that, while he didn't attend the coordination meeting, he'd read that Livingston commented that the USFS owns the mineral rights for the property which the USFS is looking at purchasing from the Collins Pine Company, in the Eagle Creek area. He said the USFS doesn't own the mineral rights.

Baker Heritage Museum Director Lea Gettle provided a museum update, and, among other details, she said that there has been some staff restructuring. She said she's part-time, and there is another part-time staff member. Admission during the open season, from March through August (the museum closes on October 29th this year, for the winter), increased by 22% this year, sales at the museum gift shop are up by about 6%, and in general, tourism is up in Baker County by about 15%, all great increases, she said.

She said that recently, a five-year strategic plan was formed, and an emphasis will be educational programming, including teaming up with the Baker School District, to provide

another Summer Academy, a huge success last year (35 students attended). She said it's a great opportunity for students to learn about the County, and the museum, there was great feedback from both students and parents, and the plan is to hold two more Summer Academy sessions next year.

Arthur Sappington said he's been promoting the different mining displays at the museum, and he encourages tours of the Virtue Flat Mine, saying that people who have visited the mine and the County commented on the quality and the quality of minerals in eastern Oregon, and also the quality and quality of the museum's displays.

A Professional Services Agreement, between the County, and Bud Zunino, FNP (Family Nurse Practitioner), for the independent contractor services of Jail Medical Provider, was approved, with a motion from Kerns, and a second from Bennett. According to the agreement, Zunino will be paid \$1,000 per month, for the period of July 1, 2016 (beginning of the County's fiscal year), through June 30, 2017.

Intergovernmental Agreement No. 31484, between the County, and the Oregon Department of Transportation (ODOT), for Oversize/Overweight Single Trip Permits (OS/OW STPs) authorization, was approved, with a motion from Bennett, and a second from Kerns. According to the agreement, the County grants ODOT authority to issue OS/OW STPs for travel over roads under the County's jurisdiction, resulting in a more simplified and expedited issuance process, and the term of the agreement is ten years. Baker County Roadmaster Jeff Smith discussed briefly the agreement with the Board,

before it was approved.

A transportation package request letter, dated September 7, 2016, from the County, to Representative Cliff Bentz, for the State Legislature's consideration, for the purposes of maintaining and improving the County's road systems, was approved, with a motion from Bennett, and a second from Kerns. Included with the letter were written requests from Smith, Halfway City Mayor Sheila Farwell, Huntington Deputy City Recorder Shellie Nash, and Haines City Recorder Valerie Russell. Smith also discussed this topic with the Board, reading his own letter addressed to Bentz, before the request letter's approval. Smith said the package would mean \$600,000 to \$700,000 for the County, if approved by the Legislature.

A Sumpter Dredge tailing discussion was held, and Harvey explained that two separate companies had previously expressed interest in the project. He said that a meeting in Sumpter had been held regarding the subject, and a second one was not yet scheduled. Chuck Chase commented about regulatory approval, and other concerns, and Bennett was concerned about using resources on a project that may not be pursued. Gary Dielman asked what the County's goal is with the project, and Harvey explained that the County owns about 900 (mining) acres in the area of the Sumpter Valley Dredge, and the Board is asking the public for its input at this time, about whether to continue efforts to facilitate the project. Dave Hunsaker asked for more detail regarding the costs and the potential monetary benefits for the County, and Kerns provided an example, a forecast from

Yellow Eagle Mining: 55 acres a year, 5% royalty to the County (\$800,000 per year), a project life of 13 to 16 years, and local and annual expenditures of \$10.6 million per year. The discussion continued, including comments from Chase, Hardt, and Bobbie Danser, a question about the mining process proposed, from Dielman, and some answers to that question, from Harvey, Hardt, Chase, and Bennett. Bennett suggested contacting both companies to determine whether they would be interested in a 5-acre test, to see if the project would be viable (he said that the County Planning Commission established this type of guideline). Kerns agreed with Bennett's suggestion, and Harvey said that the test should be up to 20 acres, depending on how the companies wish to proceed. Harvey said that the companies will be contacted regarding the test.

A County Fair Board funding discussion was held, and Harvey explained that there was approximately \$26,000 in extra, unanticipated expenses, above the allocated funding, for the removal of structures from the former fairgrounds, which facilitated the construction of the Army National Guard Armory. He said that County funds would have to be expended in order to cover this. After further discussion, including comments about the history of the deal, from Fair Board Advisory Member Rob Ellingson, Bennett moved to release the funds to the Fair Board, and the motion was approved, with a second from Kerns.

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### — WEEKLY HAY REPORT —

Friday, September 2, 2016 — Eastern Oregon

Prices trended generally steady compared to week ago prices. Most demand lays with the retail/stable hay. According to some producers, horse owners are starting to prefer lower sugar, higher protein hay. Many hay producers are selling or have already sold most of their first and second cutting hay, and are working on later cutting(s) resulting in higher volumes of hay moving.

Tons	Price Range	Wtd Avg
Alfalfa / Orchard Mix — Small Square Premium	20 185.00-185.00	185.00
Orchard Grass — Small Square Premium	70 175.00-175.00	175.00

USDA Market News Service—AMS.USDA.gov

### — CATTLE MARKET REPORT —

Wednesday, August 31, 2016  
Vale, Oregon

Cattle sold through the auction: 946

#### Steer Calves

300-400#	Bulk 139.00 - 165.00	Top 167.50
400-500#	Bulk 141.00 - 150.00	Top 151.00
500-600#	Bulk 132.00 - 146.00	Top 147.50

#### Heifer Calves

300-400#	Bulk 129.00 - 154.00	Top 146.50
400-500#	Bulk 122.00 - 137.00	Top 138.00
500-600#	Bulk 121.00 - 135.00	Top 137.50

#### Yearling Steers

600-700#	Bulk 122.00 - 134.00	Top 135.00
700-800#	Bulk 107.00 - 126.00	Top 128.00
800-900#	Bulk 113.00 - 122.00	Top 125.75
900-1,000#	Bulk N/A	Top N/A

#### Yearling Heifers

600-700#	Bulk 116.00 - 125.00	Top 127.25
700-800#	Bulk 109.00 - 121.00	Top 126.00
800-900#	Bulk N/A	Top N/A
900-1,000#	Bulk 102.00 - 111.00	Top 113.00

Thin Shelly Cows	47.00 - 59.00
Butcher Cows	63.00 - 71.00
Butcher Bulls	65.00 - 79.00
Pairs Young	N/A
Hfretts	77.00 - 87.00
Stock Cows Young	950.00-1260.00

ProducersLivestock.com  
541-473-3136

### — LOG PRICE REPORT —

Price per 1,000 board feet: Northeast Oregon

Currently the local log market is flooded with fire salvage logs. The log buyer for Malheur Lumber Co. stated they have all the logs they need under contract and are not accepting any new purchases. BCC/LLC of La Grande has receive so many burned fire salvage logs they are no longer accepting logs at the La Grande log yard. Any additional pine logs have to be delivered to the Elgin Log yard cut in plywood lengths and to a 8 inch top. For these pine logs cut in plywood lengths, BCC is offering \$280.00/mbf. They are also paying \$420.00/mbf for Doug Fir & Western Larch. For White Fir they are offering \$325.00/mbf. At the Pilot Rock Saw Mill BCC is offering \$360.00/mbf for a 12 to 15 inch top, for 16 to 19 inch top \$400.00/mbf & offering \$425.00/mbf for 20 inch plus top

Courtesy of Arvid Andersen,  
Andersen Forestry Consulting

### — PRECIOUS METALS REPORT —

Price per ounce, USD

Gold: \$1,354.60

Silver: \$20.12

Platinum: \$1103.27

Palladium: \$700.58

Bloomberg.com

### — AG COMMODITIES —

Corn: \$328.00/bu/USD

Wheat: \$399.00/bu/USD

Soybeans: \$960.50/bu/USD

Oats: \$174.75 bu/USD

Rough Rice: \$9.53/cwt/USD

Canola: \$460.70 CAD/mwt

Live Cattle: \$100.03/lb./USD

Feeder Cattle: \$128.20/lb./USD

Lean Hogs: \$58.93/lb./USD

Bloomberg.com