

1 TROUTMAN SANDERS LLP
Terrence R. McInnis, Bar No. 155416
2 terrence.mcinnis@troutmansanders.com
Kevin F. Kieffer, Bar No. 192193
3 kevin.kieffer@troutmansanders.com
Peter R. Lucier, Bar No. 246397
4 peter.lucier@troutmansanders.com
5 Park Plaza, Suite 1400
5 Irvine, CA 92614-2545
Telephone: 949.622.2700
6 Facsimile: 949.622.2739

7 *Attorneys for Plaintiffs Allied World National*
Assurance Company and Allied World Assurance
8 *Company (U.S.) Inc.*

9 Please see continuation page for a complete list
of parties and their counsel
10

11
12 UNITED STATES DISTRICT COURT
13 EASTERN DISTRICT OF CALIFORNIA

14 ALLIED WORLD NATIONAL
ASSURANCE COMPANY, a New
15 Hampshire corporation, and ALLIED
WORLD ASSURANCE COMPANY (U.S.)
16 INC., a Delaware corporation,

17 Plaintiffs,

18 v.

19 SK PM CORP., a California corporation aka
"S.K. Foods PM Corp.," SK FOODS, L.P., a
20 California limited partnership, FREDERICK
SCOTT SALYER, an individual,
21 BLACKSTONE RANCH, a California
corporation aka "Blackstone Ranch Calif 'S'
22 Corp.," LISA CRIST, an individual, MARK
MCCORMICK, an individual,

23 (caption continued on next page)
24
25
26
27
28

Case No. 1:10-CV-01262-LJO-JLT

**JOINT REPORT REGARDING
SETTLEMENT STATUS AND
STIPULATION AND ORDER
CONTINUING DEADLINES**

1 SCOTT SALYER REVOCABLE TRUST, a
2 trust, THE CAROLINE GAZELLE SALYER
3 IRREVOCABLE TRUST, a trust, THE
4 STEFANIE ANN SALYER IRREVOCABLE
5 TRUST, a trust, SS FARMS, LLC, a California
6 limited liability company, SK FOODS, LP
7 401K PLAN, an ERISA plan aka "SK Foods
8 L.P. Blackstone Ranch & SK Foods L.P. 401K
9 Plan," SARS, LLC, a California limited
10 liability company, CSSS LP, a California
11 limited partnership d/b/a Central Valley
12 Shippers, SK FOODS LLC, a Nevada limited
13 liability company, S.K. FOODS PM CORP., an
14 entity or a d/b/a of unknown legal capacity,
15 SKF AVIATION, LLC, a California limited
16 liability company, SSC FARMING, LLC, a
17 California limited liability company, RHM
18 INDUSTRIAL/SPECIALTY FOODS, INC., a
19 California corporation d/b/a Colusa County
20 Canning Company and d/b/a SK Foods –
21 Colusa Canning, CARMEL WINE
22 MERCHANTS LLC, a California limited
23 liability company, CIRCLE PACIFIC LTD., a
24 New Zealand company, SUNRISE COAST
25 JAPAN, an entity or a d/b/a of unknown legal
26 capacity, SSC FARMS I, LLC, a California
27 limited liability company, SSC FARMS II,
28 LLC, a California limited liability company,
SK FARM SERVICES, LLC, a California
limited liability company, SK FROZEN
FOODS, LLC, a California limited liability
company, SALYER AMERICAN
INSURANCE SERVICES, a California limited
liability company, SSC FARMS III, LLC, a
California limited liability company, SALYER
AMERICAN COOLING, a general
partnership, SALYER WESTERN COOLING
COMPANY, a general partnership, YUMA
AMERICAN COOLING CORPORATION, an
entity or a d/b/a of unknown legal capacity,
SAWTOOTH COOLING, LLC, a California
limited liability company, and SALYER
AMERICAN FRESH FOODS, a California
corporation,

Defendants.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Continuation Page

Gregory C. Nuti (CSBN 151754)
gnuti@schnader.com
Kevin W. Coleman (CSBN 168538)
kcoleman@schnader.com
Kathryn N. Richter (CSBN 100129)
krichter@schnader.com
SCHNADER HARRISON SEGAL & LEWIS LLP
One Montgomery Street, Suite 2200
San Francisco, California 94104-5501
Telephone: 415.364.6742
Facsimile: 415.364.6785

*Attorneys for Bradley D. Sharp, Chapter 11
Trustee*

LAW OFFICES OF DAVID C. WINTON
David C. Winton, Bar No. 152417
david@dcwintonlaw.com
2 Ranch Drive, Suite 8
Novato, CA 94945
415.421.5800 Tel
415.358.4122 Fax

*Counsel for Frederick Scott Salyer individually
and as trustee for the Scott Salyer Revocable
Trust, Robert Pruett, Trustee for the Caroline
Gazelle Salyer 1999 Irrevocable Trust, the
Caroline Gazelle Salyer 2007 Irrevocable
Trust, the Stefanie Ann Salyer 1999 Irrevocable
Trust and the Stefanie Ann Salyer 2007
Irrevocable Trust, SK PM Corp., aka "S.K.
Foods PM Corp.," Blackstone Ranch, aka
"Blackstone Ranch Calif 'S' Corp.," SS Farms,
LLC, SARS, LLC, CSSS LP, d/b/a Central
Valley Shippers, SK Foods LLC, S.K. Foods
PM Corp., SKF Aviation, LLC, SSC Farming
LLC, SSC Farms I, LLC, SSC Farms II, LLC,
SSC Farms III, LLC, SK Farm Services, LLC,
SK Frozen Foods, LLC*

1 This supplemental status report is being filed pursuant to this Court’s January 30, 2013
2 order that the parties file status reports addressing the completion of settlement every 30 days
3 beginning on March 1, 2013. As the parties previously reported to the Court in their Notice of
4 Settlement and Stipulation and [Proposed] Order Continuing Deadlines (“Notice of Settlement”),
5 Plaintiffs Allied World National Assurance Company (“Allied World”) and Allied World
6 Assurance Company (U.S.) Inc. (“AWAC”) (collectively “Plaintiffs”) have reached a settlement
7 in principle with all remaining defendants in the above-captioned action, with the exception of the
8 defendants against whom the Clerk has already entered default.¹

9 **A. The Settlement Involves Two Separate Agreements With Two Groups of**
10 **Defendants**

11 As the parties previously reported to the Court, Plaintiffs have reached separate
12 agreements with two groups of defendants. First, Plaintiffs have reached a settlement in principle
13 with the Chapter 11 Trustee for SK Foods, L.P. and RHM Industrial/Specialty (“Chapter 11
14 Trustee”). Second, the Plaintiffs have reached a settlement in principle with the following parties,
15 who are referred to collectively as the “Salyer Parties”:

- 16 1) Frederick Scott Salyer, individually and as trustee for the Scott Salyer
17 Revocable Trust,
- 18 2) Robert Pruett, Trustee for the Caroline Gazelle Salyer 1999 Irrevocable Trust
19 and the Caroline Gazelle Salyer 2007 Irrevocable Trust (sued as The Caroline
20 Gazelle Salyer Irrevocable Trust), the Stefanie Ann Salyer 1999 Irrevocable
21 Trust and the Stefanie Ann Salyer 2007 Irrevocable Trust (sued as The
22 Stefanie Ann Salyer Irrevocable Trust),
- 23 3) SK PM Corp., aka “S.K. Foods PM Corp.,”
- 24 4) Blackstone Ranch, aka “Blackstone Ranch Calif ‘S’ Corp.,”
- 25 5) SS Farms, LLC,

26 ¹ On May 5, 2011, the Clerk entered default against Defendants Circle Pacific Ltd., SK Foods, LP
27 401K Plan, and Sunrise Coast Japan. (Doc. # 62.) On May 6, 2011, the Clerk entered default
28 against Salyer American Fresh Foods, Salyer American Insurance Services. (Doc. No. 65.)

- 1 6) SARS, LLC,
- 2 7) CSSS LP, d/b/a Central Valley Shippers,
- 3 8) SK Foods LLC,
- 4 9) S.K. Foods PM Corp.,
- 5 10) SKF Aviation, LLC,
- 6 11) SSC Farming LLC,
- 7 12) SSC Farms I, LLC,
- 8 13) SSC Farms II, LLC,
- 9 14) SSC Farms III, LLC,
- 10 15) SK Farm Services, LLC,
- 11 16) SK Frozen Foods, LLC,
- 12 17) Carmel Wine Merchants LLC, and
- 13 18) Salyer American Cooling.

14 **B. The Formal Settlement Agreements are Largely Finalized**

15 Counsel for Plaintiffs have exchanged proposed settlement agreements with respective
16 counsel for both groups of defendants. The formal settlement agreements have largely been
17 finalized, but still await final approval of their form by the respective parties.

18 **C. Update from Counsel for the Salyer Parties:**

19 As of March 15, 2013, it is possible that the Salyer Parties will not agree to the settlement
20 terms. If the settlement fails, the Salyer Parties will substitute new counsel in and continue to
21 litigate the case.

22 **D. The Parties Stipulate and Request that Certain Deadlines Are Continued**

23 The Salyer Parties have requested, and the Plaintiffs have agreed based on this request, to
24 extend the deadlines described below in light of the potential that the Salyer Parties will not agree
25 to the settlement terms and will instead substitute new counsel in this matter.

26 NOW THEREFORE, in light of the foregoing, the parties, through counsel, hereby
27 STIPULATE and REQUEST that the Court enter an Order that:

28

1 1. That the deadline for the Salyer Parties to respond to the First Amended Complaint
2 is further extended until March 29, 2013; and

3 2. That the deadline for Plaintiffs and the Salyer Parties to exchange initial
4 disclosures pursuant to Fed. R. Civ. P. 26(a)(1) is further extended to March 29, 2013.

5
6
7 Dated: March 15, 2013

TROUTMAN SANDERS LLP

8
9 By: /s/ Peter R. Lucier

10 Terrence R. McInnis
11 Kevin F. Kieffer
12 Peter R. Lucier

13 *Attorneys for Plaintiffs Allied World National
14 Assurance Company and Allied World Assurance
15 Company (U.S.) Inc.*

16
17 Dated: March 15, 2013

LAW OFFICES OF DAVID C. WINTON

18
19 By: /s/ David C. Winton (as authorized 3/15/2013)

20 David C. Winton

21 *Counsel for the "Salyer Defendants," listed
22 above*

23
24 Dated: March 15, 2013

SCHNADER HARRISON SEGAL & LEWIS LLP

25
26 By: /s/ Kathryn N. Richter (as authorized 3/15/2013)

27 Gregory C. Nuti
28 Kevin W. Coleman
Kathryn N. Richter

*Attorneys for Bradley D. Sharp, Chapter 11
Trustee*

CERTIFICATION

29 Pursuant to Local Rule 131(e), I, PETER R. LUCIER, certify that on March 15, 2013
30 David C. Winton and Kathryn N. Richter authorized me to submit this Joint Report Regarding
31 Settlement Status and Stipulation and [Proposed] Order Continuing Deadlines on their behalf.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

ORDER

Pursuant to the foregoing, this Court hereby Orders:

1. That the deadline for the Salyer Parties to respond to the First Amended Complaint is further extended until **March 29, 2013**; and
2. That the deadline for Plaintiffs and the Salyer Parties to exchange initial disclosures pursuant to Fed. R. Civ. P. 26(a)(1) is further extended to **March 29, 2013**;
3. **Absolutely, no further extensions of time will be granted.**²

IT IS SO ORDERED.

Dated: **March 18, 2013**

/s/ Jennifer L. Thurston
UNITED STATES MAGISTRATE JUDGE

² Since the parties began filing their notice of settlement on December 19, 2012, it appears that very little has been accomplished in completing the settlement agreement. Thus, it appears the time the Court's has allowed to accomplish the settlement has been squandered.