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 11 BEFORE THE
 SECRETARY OF THE CALIFORNIA
 DEPARTMENT OF FOOD AND AGRICULTURE
 12 STATE OF CALIFORNIA
 13

14 In the Matter of the Accusation Against:

15 **K.N. SREERAMA,**

16 Respondent.

File No. 6926

OAH Case No. L2012040561

17 **NOTICE OF SETTLEMENT AND**
REQUEST FOR TERMINATION

18 [Cal. Code of Regs., tit.1, § 1028 subd. (j)]

19 Hearing Date: September 25, 2012
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22 TO THE OFFICE OF ADMISTRATIVE HEARINGS, ALL PARTIES, AND THEIR
 23 RESPECTIVE ATTORNEYS OF RECORD:

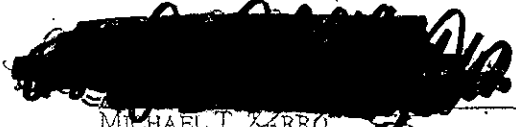
24 PLEASE TAKE NOTICE that the Parties have entered into the attached Settlement/Release
 25 Agreement effective September 17, 2012, thereby finally resolving the matters set forth in the
 26 Accusation on file in the above-captioned matter. Accordingly, the California Department of
 27 Food and Agriculture requests that hearing on this action, currently scheduled for September 25,
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1 2012, be taken off-calendar, and that this matter be terminated in accordance with California
2 Code of Regulations, title 1, section 1028, with each party to bear its own fees and costs.

3 Dated: September 20, 2012

Respectfully Submitted,

4 KAMALA D. HARRIS
5 Attorney General of California
6 RICHARD J. MAGASIN
7 Supervising Deputy Attorney General



8 MICHAEL T. ZARRO
9 Deputy Attorney General
10 Attorneys for Complainant California
11 Department of Food & Agriculture

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Settlement/Release Agreement

This Settlement and Release Agreement ("Agreement") is entered into by and between the California Department of Food and Agriculture (the "Department") and K. N. Sreerama ("Respondent"). The foregoing parties are referred to herein as the "Parties".

Respondent neither admits nor denies the allegations made in the Accusation in OAH Case No. 2012040561 (Accusation). Accordingly, this Agreement is not and may not be used as an admission of intentional or willful violation of state or federal law by Respondent.

The Parties hereby agree that the organic certification and registration of the property known as Bardsdale Ranch (APN 046-0-150-115/001) under organic registration number 56-1042 issued to Respondent is suspended for a period of three years.

Respondent is further placed on probation until August 31, 2015 with regard to all his fields listed in organic registration number 56-1042, on the terms and conditions stated below. Furthermore, if Respondent successfully applies for and is granted organic certification and registration at a future date prior to August 1, 2015, at a field other than those listed in organic registration number 56-1042 that certification and registration shall be subject to the probation described below for any remaining period of the three-year period of probation on the same terms and conditions that continue and/or have not yet been completed. The following terms and conditions shall apply to Respondent's probation:

1. **New certifier.** Respondent shall obtain certification with a United States Department of Agriculture (USDA) accredited certifying agent that is not the USDA National Organic Program within 90 days of the date of this settlement agreement. The new certifying agent shall inspect Respondent's operation within 120 days of the date of this settlement agreement. Respondent's failure to obtain certification with a new certifying agent within 90 days will result in the immediate revocation of Respondent's organic certification. Evidence of certification shall be submitted to the California State Organic Program upon request.
2. **Disclosure.** Respondent shall disclose all past issues of noncompliance to the new certifier during the application process for certification, including, but not limited to, this Settlement Agreement in OAH Case No. 2012040561.
3. **Removal of sites from organic production.** Respondent agrees to remove Bardsdale Ranch from organic production for a period of three years from the Effective Date. Accordingly, Respondent's organic registration as applicable to Bardsdale Ranch is suspended for a period of three years from the Effective Date. At the end of the three year period, Respondent may seek organic certification and registration of Bardsdale Ranch pursuant to Subpart E—Certification of the National Organic Program (§§205.400-205.406).
4. **Annual inspection.** Respondent shall permit a certifying agent to complete annual on-site inspections at a time when the compliance of the land, facilities, and activities of the farming operation can be observed. Appropriate times for inspection will be determined by the certifying agent. If the initial date on which the certifying agent proposes to conduct this

inspection is declined, the postponed inspection must occur within 10 working days of the initial date.

5. **Additional unannounced inspections during probationary period.** Respondent shall permit the certifying agent to conduct two additional on-site inspections on an annual basis during the probationary period, which may be unannounced inspections. Respondent shall reimburse the certifying agent for the cost of an inspection conducted which is in addition to the annual on-site inspection.
6. **Effective Date.** This Agreement shall be effective immediately upon its execution by all of the Parties. This Agreement may be executed in counterparts and in duplicate originals. If executed in counterparts, then upon proof of execution of at least one copy, the Agreement shall be effective from the date of the last signature. If executed in duplicate, each duplicate copy shall be valid as an original copy.
7. **Payment.** Within seven (7) days of the Effective Date, the Department will file with the Office of Administrative Hearings an executed request for dismissal. Within fourteen (14) days of the dismissal, Respondent shall pay the Department the sum of Ten Thousand Dollars (\$10,000.00), in full and complete satisfaction of the claims made against Respondent including, but not limited to, those contained in the Accusation in OAH Case No. 201204056, as well as alleged violations of recordkeeping activities, selling organic products off of contaminated fields, and/or failing to report the application of a prohibited substance prior to the Effective Date.
8. **Maintain valid certification and registration.** Respondent shall maintain valid registration and certification. Should Respondent's certification or registration, by operation of law or otherwise, expire, upon renewal, Respondent's certification and registration shall be subject to any and all terms of this probation not previously satisfied.
9. **Non-waiver.** If the Department declines to take immediate disciplinary action for violation of statute, regulation, and/or any term(s) of this Settlement Agreement, this shall not constitute a waiver by the Department of the right to raise that violation at a later date in a disciplinary or other judicial proceeding, or any other context.
10. **No limitation.** Nothing in this Settlement Agreement shall be construed as a limitation on the powers or responsibilities of the California Department of Food and Agriculture under the laws of the State of California.
11. **Settlement of all disputes.** Upon receipt of the consideration mentioned in Paragraph 7, the Department, on behalf of itself, its agents, representatives, attorneys, employees, subcontractors, servants, affiliates, predecessors, successors and assigns, both past and present, and any person or entity acting by, through, under or in concert with each of them, including, but not limited to the Ventura County Agricultural Commissioner's Office, does hereby release, and forever discharge Respondent, and each of his respective agents, representatives, attorneys, employees, servants, affiliates, parents, predecessors, successors and assigns,

subsidiaries, distributors, packing houses, both past and present, and any person or entity acting by, through, under or in concert with each of them, from any and all monies, sums, actions, causes or causes of action, in law or equity, suits, debts, liens, contracts, agreements, promises, liabilities, claims, demands, obligations, rights, breaches of contract, breaches of duty of any relationship, acts, omissions, misfeasance, malfeasance, sums of money, compensation, accounts, contracts, controversies, promises, losses, damages, costs, attorneys' fees, expenses of any type, kind, nature, description or character whatsoever which are stated, or could have been stated arising out of the facts and/or Claim(s) described in the Accusation.

12. **Obey all organic statutes and regulations.** Respondent shall obey all federal and state regulations and statutes governing the federal Organic Product Act of 1990, Title 7, Code of Federal Regulations Part 205 et seq., Food and Agricultural Code §46000 et seq. (California Organic Products Act), and Title 3, California Code of Regulations §1391 et seq. in managing his certified organic operations.
13. **Violation of probation.** If Respondent violates any of the conditions of this probation during the probationary period (Effective date through August 31, 2015), Respondent will be subject to immediate revocation. Upon revocation, Respondent is limited to contesting the factual basis for the revocation, in a manner consistent with the procedures provided in Title 3 of the California Code of Regulations sections 1391.5 and 1391.6.
14. **Effect of agreement.** This Agreement is binding upon and shall inure to the benefit of the executing Parties, their respective agents, attorneys, and representatives, assigns and successors-in-interest, as well as the Ventura County Agricultural Commissioner's Office, to the extent permitted by law.
15. **Additional Sites.** Should Respondent add additional sites to his certification or registration after the Effective Date but before the end of the probationary period (August 31, 2015), those sites shall be subject to any and all terms of this probation for the remainder of the probationary period.
16. **Continuing Education.** Respondent, or an authorized representative of Respondent's operation, shall participate in at least one educational class or program per year during the probationary period, offered by a university extension program, an accredited third party certifier, the NOP, or the Department. Such program may be either in person or via webinar and be related to any aspect of certified organic farming including, but not limited to, organic certification, record keeping, marketing, the NOP, pest management for organic production systems, weed management, sustainable farming, and/or consumer awareness of certified organic foods.
17. **Authority of Signatories.** Each person executing this Agreement does hereby represent and warrant to the other signatories that he or she has the authority necessary to execute this Agreement; that no other consents or approvals of anyone are required or necessary for this Agreement to be binding; and, that they have respectively not sold, assigned, transferred.

conveyed, or otherwise disposed of any of the claims, causes of action, demands, damages, judgments, costs, loss of services, expenses and/or compensation referred to in this Agreement.

IN WITNESS THEREOF, each Party has executed this Agreement as of the date set forth beside their signatures below.

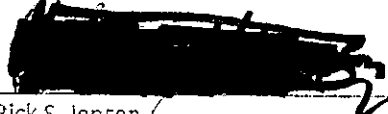
K.N. Sreerama

Dated: September __, 2012

K. Naidu Sreerama

For the Secretary of the California Department of Food and Agriculture

Dated: September 13 2012



Rick S. Jensen,
Director Inspection Services

conveyed, or otherwise disposed of any of the claims, causes of action, demands, damages, judgments, costs, loss of services, expenses and/or compensation referred to in this Agreement.

IN WITNESS THEREOF, each Party has executed this Agreement as of the date set forth beside their signatures below.

K.N. Sreerama

Dated: September 17th 2012



K. Naidu Sreerama

For the Secretary of the California Department of Food and Agriculture

Dated: September __, 2012

Rick S. Jensen,
Director Inspection Services