MARKET ENFORCEMENT BRANCH
HOT NEWS
June 2013

New Legislation For Processors

With the passage of AB 907, several changes have been made to the Processors Law, Chapter 6, Division 20, of the Food and Agricultural Code that will take effect on January 1, 2013. The following is a brief synopsis of those changes and how it might impact a licensed processor or a new applicant for a license under the Processors Law.

- If a processor is found to be financially irresponsible at the time of the renewal of the license, or when a new application for license under the Processors Law has been submitted, the department may require the applicant/licensee to provide an irrevocable guarantee in an amount sufficient to pay for the licensee's obligations at the time the guarantee is issued. The guarantee may be personal or corporate, a certificate of deposit, a letter of credit, or a surety bond. In addition, this guarantee will not be considered a release from any lien on any processed product purchased from a producer. (Section 55523.3 FAC)
- Currently, any licensee or applicant for a license that had been found engaged in a business which demonstrated a lack of financial responsibility, i.e. delinquent accounts payable, judgments of liability, insolvency or bankruptcy; or failed to assure future financial responsibility, was required to provide the department with a surety bond. AB 907 has amended the code to substitute "surety bond" with irrevocable guarantee. (Section 55527.6 FAC)
- Existing law requires a person found to be operating a business within the past 5 years without a license or who has failed to pay a license fee pursuant to a certain schedule to pay additional penalties to the department, including paying an amount equal to that portion of the fees that were not paid for the last 5 years the business has operated. The amended provision would increase that penalty amount to 3 times the portion of the fees that were not paid for the last 5 years. (Section 55862.7 FAC)
- Lasty, any funds collected pursuant to the provisions regulating processors of farm products will be deposited in the Department of Food and Agriculture Fund in the State Treasury and will be continuously appropriated for the administration and enforcement of those provisions. (Section 55922 FAC)

A copy of AB 907 has been posted on our website (www.cdfa.ca.gov/mkt/meb) under the Food & Agricultural Code tab.

If there are any questions regarding these new changes, please feel free to contact our office at (916) 900-5016 or via email – mktenforce@cdfa.ca.gov.

LICENSE DENIALS

Frank Produce
PO Box 512
Winton, CA 95388
License denied on June 18, 2013

Carlos Floral Inc
1544 South El Camino Road
Encinitas, CA 92024
License denied on June 19, 2013

ADMINISTRATIVE PROCEEDINGS / LICENSE REVOCATIONS

Guy E Maggio Inc
1320 East Olympic Blvd.
Los Angeles, CA 90021

On March 18, 2013, Guy E Maggio Inc (GEMI) was served with an Accusation, Statement to Respondent, Request for Discovery and a blank Notice of defense. GEMI failed to file a Notice of Defense within the time specified and therefore waived its right to a hearing. As a result, WWPL was in default.

Respondent's license under the Produce Dealers Act was therefore revoked effective June 6, 2013.

PROSECUTION UPDATES

John Bowersox dba High Point Raisin and Nor Cal Raisin – Chowchilla, CA
A criminal complaint was filed against John Bowersox with the Madera County District Attorney's office alleging Grand Theft under the Penal Code and operating without a license under the Food and Agricultural Code. On September 29, 2009, an arrest warrant was issued against Mr. Bowersox for Grand Theft (PC 487 (b) (1) (A)), a felony; and operating without a license under the Food and Agricultural Code (56632), a misdemeanor. Mr. Bowersox was arrested on October 20, 2009 and posted bail.

On April 1, 2011, a preliminary hearing was scheduled in the Madera Superior Court. On December 9, 2011, Mr. Bowersox stipulated into a no contest plea for operating without a license and the judge found cause for grand theft. A discovery hearing was scheduled for January 6, 2012. On January 6, 2012, Mr. Bowersox requested additional time.

On December 4, 2012, a hearing was held and Mr. Bowersox's attorney requested a new trial date. The request was approved and scheduled for February 19, 2013, which was vacated to April 30, 2013.

On April 30, 2013, Mr. Bowersox's attorney requested additional time to enter a plea. A new hearing was set for May 30, 2013.

On May 30, 2013, Mr. Bowersox and his attorney were present at the trial hearing. Mr. Bowersox's attorney requested additional time to work with the DA to settle the matter. Hearing was set for June 6, 2013.

On June 6, 2013, Mr. Bowersox pled guilty to grand theft. A sentencing hearing was set for August 12, 2013.