

Troubled food packer sued again

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A third produce company has filed a legal action against Watsonville Canning and Frozen Food Co.

Meanwhile, Wells Fargo Bank continues to tighten its grip on the holdings of Watsonville Canning owner Edward T. Console, as indicated by new documents filed with the Santa Cruz County Recorder's Office Friday afternoon.

Mark Clark Harvesting sued Thursday in Monterey County Superior Court, alleging it has not been paid \$426,000 for broccoli sold to Watsonville Canning.

Bonita Packing, a Santa Maria association of broccoli growers, and Ed Silva Harvesting of Gonzales had previously filed claims against the company.

Clark's attorney, Steven Gordon, said Friday Watsonville Canning officials had approached Clark three weeks ago and offered to settle the debt in exchange for Clark's becoming a limited partner in the company.

The shared ownership plan, first revealed by state officials last week, is reportedly still being offered to other major creditors of Watsonville Canning.

Clark turned down the offer, said Gordon, because he felt he would not be protected sufficiently from the company's mounting problems and would not have any control of the company.

According to Bonita Packing owner Pat Ferrini, only one creditor, broccoli grower David Gil of King City, is considering the ownership plan. Gil is reportedly owed \$5

million by Watsonville Canning. Gil, who reportedly presided over a meeting of growers and Watsonville Canning officials this week in Monterey, has refused comment.

Gordon said his client Clark was owed more than \$500,000 at one time by Watsonville Canning, but the company paid him approximately \$80,000 in three payments, ending three months ago.

The company promised Clark it would arrange a plan to repay the remaining \$426,000, said Gordon, but besides the limited partnership offer, Clark heard nothing else.

Gordon said Clark is seeking to have the court order the company to pay him immediately. If the company cannot, Gordon said, Clark will ask the court to order Watsonville Canning's assets seized, including produce, trucks, machinery and land.

But Clark will have to get in line behind Wells Fargo Bank, which already has first call on all of the company's assets and virtually all of company owner Edward T. Console's real estate holdings.

In documents filed Friday with the Santa Cruz County Recorder's Office, Wells Fargo Bank was given first call on all equipment and fixtures belonging to California Freezing and Cold Storage Co., adjacent to Watsonville Canning, and to Struve-Console Farms. The two companies are owned by Edward Console and his mother, Kathryn.

The bank already has first claim on all equipment and fixtures at Watsonville Canning and on virtually all of the real-estate holdings of Con-

sole and his mother.

Despite Clark's lawsuit, a state Food and Agriculture Marketing Enforcement agency inquiry into Watsonville Canning's financial problems remains on hold, according to Sacramento bureau chief George Reese.

An earlier claim by Bonita Packing about unpaid bills was disallowed for the same reason Clark's claim will not be considered — the state, said Reese, has no jurisdiction over money owed harvesters or packers. Clark, he said Friday, also approached Marketing Enforcement with his claim, but was told the state agency could do nothing to help.

The state licenses harvesting and packing companies, including Clark, Bonita and Silva. Marketing Enforcement could lift Watsonville Canning's license to handle farm products, if it finds it is not paying its bills, or cannot pay them because of financial problems.

Reese said complaints will have to come from growers, rather than packers and harvesters though.

Watsonville Canning attorneys have presented a plan to Marketing Enforcement to pay off grower debts, Reese said, and he is still satisfied with that.

But, he said, "we're concerned.

We're watching them very closely."

Silva sued in Monterey County Superior Court Oct. 1, claiming he is owed \$355,321 by Watsonville Canning. Silva's attorney, Ann Secker, this week said she had been told by her client that he had reached an agreement with Watsonville Canning for payment. She said the lawsuit would remain in force until she reviewed the agreement.

Watsonville Canning also is being sued by rival food processor, J.J. Crosetti Foods, which alleges it stored produce for Watsonville Canning, for which it is owed \$34,843 plus interest.

The Teamsters, representing more than 1,000 workers on strike against Watsonville Canning, this week filed a motion in a San Francisco U.S. District Court asking for

immediate payment of back vacation pay for strikers.

The union also filed a claim with the National Labor Relations Board, alleging that replacement workers were paid vacation pay, while strikers have not gotten it.

Teamster pickets counted 330 replacement workers Friday morning passing through the company gates. Watsonville Canning officials, maintaining more workers are on the job this week, have said workers are able to get into the plant through other gates as well.

The plant was running broccoli, cauliflower, brussels sprouts and lima beans Friday.

A trucker delivering a load of broccoli to Watsonville Canning was shot at on Walker Street near the plant Thursday night. The bullet missed the man, Joseph Charles DeLuca Jr., who was driving a truck owned by TWI Trucking.

The bullet pierced the truck's window and frame. Witnesses saw an early 1970s model primer-brown Camaro in the vicinity, according to a police report.

Watsonville Police Capt. Terry Medina said no noticeable increase in strike-related violence has occurred since Watsonville Canning reopened Monday, following an 11-day shut-down.

REFERENCE

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