

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

RYECO, LLC and
T.M. KOVACEVICH - PHILADELPHIA, INC.

Plaintiffs,

v.

Civil Action No. _____

CORRADO’S SPECIALTY GOODS, INC. t/a
CORRADO’S FAMILY AFFAIR;
GERALD CORRADO, SR., an individual;
PETER CORRADO, an individual;
JOSEPH CORRADO, an individual;
JAMES J. CORRADO, an individual; and

Defendants.

COMPLAINT
(To Enforce Payment From Produce Trust)

Plaintiffs, Ryeco, LLC (“Ryeco”) and T.M. Kovacevich - Philadelphia Inc. (“Kovacevich”), through their undersigned counsel, by way of Complaint against Defendants, Corrado’s Specialty Goods, Inc. t/a Corrado’s Family Affair (“Specialty Goods”), Gerald Corrado, Sr. (“G. Corrado”), Peter Corrado (“P. Corrado”), Joseph Corrado (“Joseph Corrado”), and James J. Corrado (“James Corrado”), state and allege:

JURISDICTION AND VENUE

1. This Court has jurisdiction over the subject matter of this action under Section 5(c)(5) of the Perishable Agricultural Commodities Act, 7 U.S.C. § 499e(c)(5) (“PACA”), 7 U.S.C. § 499(e)(b), and 28 U.S.C. § 1331. Personal jurisdiction exists over each Defendant as they transact business in this district and

have sufficient minimum contacts such that this proceeding does not offend traditional notions of fair play and justice.

2. Venue in this District is proper under 28 U.S.C. § 1391 because a substantial part of Plaintiffs' claims arose in this District.

PARTIES

3. a. Plaintiff Ryeco is a Pennsylvania limited liability company with its office and principal place of business at Philadelphia Wholesale Produce Market, Units C-3 through C-7, 6700 Essington Avenue, Philadelphia, Pennsylvania 19153. Ryeco is engaged in the business of selling wholesale quantities of perishable agricultural commodities ("Produce") and is licensed as a dealer under PACA.

b. Plaintiff Kovacevich is a Pennsylvania corporation with its office and principal place of business at Philadelphia Wholesale Produce Market, Units A-1 through A-6, 6700 Essington Avenue, Philadelphia, Pennsylvania 19153. Kovacevich is engaged in the business of selling wholesale quantities of Produce and is licensed as a dealer under PACA.

4. a. At all times relevant hereto, Defendant Specialty Goods was and is a New Jersey corporation with a principal place of business located at 1578 Main Avenue, Clifton, New Jersey 07011, that was engaged in the business of buying wholesale quantities of Produce in interstate commerce as well as other specialty goods, and that was operating subject to license as a dealer under PACA.

b. Upon information and belief, Defendant G. Corrado was at all relevant times an owner, officer, and/or director of Defendant Specialty Goods during the period of time in question, who controlled the operations of Defendant Specialty Goods and was in a position of control over the PACA trust assets belonging to Plaintiffs. Upon information and belief, G. Corrado resides at 370 Algonquin Road, Franklin Lakes, New Jersey 07417.

c. Upon information and belief, Defendant P. Corrado was at all relevant times an owner, officer, and/or director of Defendant Specialty Goods during the period of time in question, who controlled the operations of Defendant Specialty Goods and was in a position of control over the PACA trust assets belonging to Plaintiffs. Upon information and belief, P. Corrado resides at 740 Ocean Boulevard, Sea Bright, New Jersey 07760.

d. Upon information and belief, Defendant Joseph Corrado was at all relevant times an owner, officer, and/or director of Defendant Specialty Goods during the period of time in question, who controlled the operations of Defendant Specialty Goods and was in a position of control over the PACA trust assets belonging to Plaintiffs. Upon information and belief, Joseph Corrado resides at 297 Crest Place, Franklin Lakes, New Jersey 07417.

e. Upon information and belief, Defendant James Corrado was at all relevant times the person who ordered the Produce at issue and the warehouse manager where product and inventory was stored for Defendant Specialty Goods during the period of time in question, who controlled the operations of Specialty Goods and was in a position of control over the PACA trust assets belonging to Plaintiffs. Upon information and belief, James Corrado resides at 7 Pond VW, Montville, New Jersey 07045-8604.

ALLEGATIONS COMMON TO ALL COUNTS

5. This action is brought to enforce the trust provisions of the PACA, 7 U.S.C. § 499e(c).

6. Upon information and belief, Defendant Specialty Goods is the purchasing or procurement entity for five (5) affiliated supermarkets located in New Jersey that are licensed or operating subject to license under the PACA as follows: James Corrado, Inc. t/a Corrado's Family Affair of Clifton, a/t/a Corrado's Market; Corrado's Family Affair of Denville, Inc. t/a Corrado's Market; Corrado's Family Affair of Fairfield, Inc. t/a Corrado's Market; Corrado's Family Affair of North Arlington, Inc. t/a Corrado's Market; and Corrado's Family Affair of Wayne, Inc. t/a Corrado's Market.

7. In calendar year 2021, Plaintiff Ryeco sold and delivered to Defendant Specialty Goods in excess of \$230,000.00 worth of Produce, with Ryeco selling and delivering in excess of 2,000 pounds of Produce to Specialty Goods on March 20, 2021.

8. Between April 16, 2021, and July 28, 2021, Plaintiff Ryeco sold and delivered, in interstate commerce, wholesale amounts of Produce worth the aggregate amount of \$296,023.00 to Defendant Specialty Goods, who accepted the Produce.

9. Between April 9, 2021, and May 14, 2021, Plaintiff Kovacevich sold and delivered, in interstate commerce, wholesale amounts of Produce worth the aggregate amount of \$163,086.00 to Defendant Specialty Goods, who accepted the Produce.

10. At the time Defendant Specialty Goods received and accepted the Produce, Plaintiffs became beneficiaries in a statutory trust under PACA (the "PACA Trust"), which is designed to assure payment to Produce suppliers and which consists of all Produce or Produce-related assets, including all funds commingled with funds from other sources and all assets procured by such funds, in the possession or control of Defendants.

11. Plaintiffs timely preserved their respective interests in the PACA Trust in the aggregate principal amount of \$459,109.00 by delivering to Defendant Specialty Goods invoices containing the requisite statutory language ("Invoices"), and Plaintiffs remain beneficiaries thereof until full payment is made for the Produce.

12. Defendants have not disputed the debt owed to Plaintiffs in any way but despite demand for payment, Defendants have failed to pay Plaintiffs any portion of the aggregate principal amount of \$459,109.00 due and owing for the Produce prior to the filing of this lawsuit.

13. On or about May 26, 2021, Defendant Specialty Goods issued a check, number 146183, to Plaintiff Ryeco in partial payment of the Produce debt owed in the amount of \$11,602.00, but the check was returned for insufficient funds and has not been made good by Defendant Specialty Goods.¹

14. The failure of Defendant Specialty Goods to pay for the Produce purchased from Plaintiffs, as well as the issuance of a check to Plaintiff Ryeco returned for insufficient funds, establishes that Defendants have violated their statutory, regulatory and contractual duties to preserve and turnover the PACA Trust assets belonging to Plaintiffs by dissipating those assets.

COUNT ONE
(Failure to Pay Trust Funds – All Defendants)

15. Plaintiffs repeat and reassert each and every allegation contained in paragraphs 1 through 14 of this Complaint as if fully set forth herein.

16. Defendants' continuing failure and refusal to pay Plaintiffs the PACA Trust funds in the aggregate principal amount of \$459,109.00 violates PACA and PACA regulations.

17. As a direct and proximate result of the Defendants' continuing violations of PACA and PACA regulations, Plaintiffs have suffered, and are continuing to suffer, damages.

WHEREFORE, Plaintiffs demand judgment against Defendants enforcing payment from the PACA Trust by ordering Defendants to pay Plaintiffs the aggregate principal amount of \$459,109.00 plus interest, costs, attorneys' fees, and any other relief deemed just and owing.

COUNT TWO
(Failure to Pay Promptly- Specialty Goods)

18. Plaintiffs repeat and reassert each and every allegation contained in paragraphs 1 through 17 of this Complaint as if fully set forth herein.

19. Defendant Specialty Goods received each of the shipments of Produce described above.

¹ In the event this check is made good, Plaintiff Ryeco will adjust its balance owed accordingly.

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