

UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF WISCONSIN

LIGURIA FOODS, LLC,)
)
 Plaintiff,)
)
 v.) Case No. 2:21-cv-01127-JPS
)
 PALERMO VILLA, INC.,)
)
 Defendant.)

**PALERMO VILLA, INC.’S ANSWER TO COMPLAINT,
AFFIRMATIVE DEFENSES, AND COUNTERCLAIMS**

Defendant, Palermo Villa, Inc., by its attorneys, Hennessy & Roach, P.C. and Hansen Reynolds LLC, as and for its Answer to the Plaintiff’s Complaint, admits, denies, and affirmatively alleges unto the Court as follows:

PRELIMINARY STATEMENT

1. This lawsuit concerns Palermo Villa, Inc.’s (“Palermo”) failure to pay Liguria Foods, LLC’s (“Liguria Foods”) for agreed-upon deliveries of more than \$500,000 of pepperoni that it received from Liguria Foods in 2019.

ANSWER: Defendant lacks knowledge or information sufficient to form a belief as to the truthfulness of the allegations contained in Paragraph 1 and therefore denies the same.

2. Specifically, Liguria Foods seeks to recover \$528,485.76 arising from separate purchase orders issued by Palermo for which it never paid, plus interest and any costs allowable by contract or other applicable law.

ANSWER: Defendant lacks knowledge or information sufficient to form a belief as to the truthfulness of the allegations contained in Paragraph 2 and therefore denies the same.

3. Additionally, Liguria Foods seeks to recover damages associated with Palermo's fraudulent misrepresentations related to Liguria Foods product.

ANSWER: Defendant lacks knowledge or information sufficient to form a belief as to the truthfulness of the allegations contained in Paragraph 3 and therefore denies the same.

4. On information and belief, in early-2019, Palermo lost control of its own operations and began producing contaminated frozen pizzas.

ANSWER: Defendant denies the allegations contained in Paragraph 4.

5. Rather than remedy its own food-safety failure, Palermo embarked on a nearly three-year fraudulent quest to wrongfully assign responsibility to Liguria Foods.

ANSWER: Defendant denies the allegations contained in Paragraph 5.

6. On information and belief, Palermo knew Liguria Foods was not the source of the contamination.

ANSWER: Defendant denies the allegations contained in Paragraph 6.

7. Now, after an exhaustive examination, which included testing by Palermo of the pepperoni, Liguria Foods and Palermo have adduced irrefutable proof that Liguria Foods is not—and never was—the source of any of the contamination alleged by Palermo.

ANSWER: Defendant denies the allegations contained in Paragraph 7.

8. Despite this confirmation, Palermo persists in its efforts to assign blame to Liguria Foods, and Palermo continues to refuse to pay money rightfully owed to Liguria Foods for the pepperoni it received in 2019.

ANSWER: Defendant denies the allegations contained in Paragraph 8.

JURISDICTION

9. This Court has jurisdiction pursuant to 28 U.S.C. § 1332(a)(1), in that this is a civil action between citizens of Iowa and Wisconsin, and the amount in controversy exceeds \$75,000, exclusive of interest and costs.

ANSWER: To the extent that the allegations contained in Paragraph 9 are not pure conclusions of law to which no answer is required, Defendant lacks knowledge or information sufficient to form a belief as to the truthfulness of the allegations contained in Paragraph 9 and therefore denies the same.

VENUE

10. Venue is proper in this district under 28 U.S.C. § 1391(b)(1) and 28 U.S.C. § 1391(b)(2), in that Palermo is a resident of this district and a substantial part of the events or omissions giving rise to the claims occurred in this district.

ANSWER: To the extent that the allegations contained in Paragraph 10 are not pure conclusions of law to which no answer is required, Defendant lacks knowledge or information sufficient to form a belief as to the truthfulness of the allegations contained in Paragraph 10 and therefore denies the same.

PARTIES

11. Liguria Foods is a limited liability company formed under the laws of Delaware and does business in Humboldt, Iowa.

ANSWER: Defendant lacks knowledge or information sufficient to form a belief as to the truthfulness of the allegations contained in Paragraph 11 and therefore denies the same.

12. None of Liguria Foods' members, up to and including its ultimate parent corporation, Chef Holdings, Inc., are citizens of Wisconsin.

ANSWER: Defendant lacks knowledge or information sufficient to form a belief as to the truthfulness of the allegations contained in Paragraph 12 and therefore denies the same.

13. Upon information and belief, Palermo is a Wisconsin corporation, with its principal place of business in Milwaukee, Wisconsin.

ANSWER: Admit.

FACTS

I. Background on Liguria Foods.

14. Liguria Foods is a leading provider of premium quality meat toppings, including what many consider to be the market's best pepperoni.

ANSWER: Defendant lacks knowledge or information sufficient to form a belief as to the truthfulness of the allegations contained in Paragraph 14 and therefore denies the same.

15. Founded in 1974, Liguria Foods specializes in supporting food service customers. To that end, Liguria Foods creates quality pepperoni, salami, and other products for quality-minded pizzerias and sandwich shops that seek authentic Italian pepperoni and Italian-specialty meats.

ANSWER: Defendant lacks knowledge or information sufficient to form a belief as to the truthfulness of the allegations contained in Paragraph 15 and therefore denies the same.

16. In 2016, Liguria Foods began its next chapter when it was acquired by its current parent company, CTI Foods, LLC, a leading provider of custom food solutions to America's top restaurant chains.

ANSWER: Defendant lacks knowledge or information sufficient to form a belief as to the truthfulness of the allegations contained in Paragraph 16 and therefore denies the same.

17. Today, Liguria Foods continues to operate out of its Humboldt, Iowa facility, supplying more than twenty million pounds of pepperoni and other Italian-specialty meats per year to dozens of customers across the United States.

ANSWER: Defendant lacks knowledge or information sufficient to form a belief as to the truthfulness of the allegations contained in Paragraph 17 and therefore denies the same.

II. Liguria Foods' Overarching and Consistent Commitment to Food Safety.

18. Food safety is of the utmost priority to Liguria Foods.

ANSWER: Defendant lacks knowledge or information sufficient to form a belief as to the truthfulness of the allegations contained in Paragraph 18 and therefore denies the same.

19. Liguria Foods maintains a robust system of daily top-to-bottom sanitation, microbiology testing, equipment inspection, facility inspection, and general quality protocols to guarantee that its products are safe for human consumption.

ANSWER: Defendant lacks knowledge or information sufficient to form a belief as to the truthfulness of the allegations contained in Paragraph 19 and therefore denies the same.

20. Liguria Foods undergoes routine inspections and audits.

ANSWER: Defendant lacks knowledge or information sufficient to form a belief as to the truthfulness of the allegations contained in Paragraph 20 and therefore denies the same.

21. As a United States Department of Agriculture ("USDA") regulated entity, Liguria Foods is subject to regular governmental inspection, and USDA officials even maintain offices onsite to access Liguria Foods' production areas.

ANSWER: Defendant lacks knowledge or information sufficient to form a belief as to the truthfulness of the allegations contained in Paragraph 21 and therefore denies the same.

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