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10
11 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

12 **COUNTY OF LAKE**

13 LANGTRY FARMS, LLC, a Delaware
14 Limited Liability Company

15 Plaintiff,

16 v.

17 HUGH REIMERS, an individual;
18 TORICK FARMS, LLC, a California Limited
19 Liability Company; and
20 DOES 1-20.

21 Defendants.

Case No. *CV* **21774**

COMPLAINT FOR:

- 1) Declaratory Judgment
- 2) Fraud;
- 3) Negligence;
- 4) Intentional Interference with Economic Advantage
- 5) Negligent Interference with Economic Advantage;
- 6) Breach of Contract;
- 7) Unfair Competition.

JURY TRIAL DEMANDED

FILED
SUPERIOR COURT
COUNTY OF LAKE

MAY 03 2021

BY *Krista D. LeVier*
Andres Perez
Deputy Clerk

BY FAX

1 Plaintiff LANGTRY FARMS, LLC (“Plaintiff” or “LF”), alleges as follows:

2 1. Plaintiff is a duly licensed and bonded winery located in Lake County, California.
3 Plaintiff also owns vineyards and grows grapes.

4 2. Plaintiff provides wine making and processing services for clients who provide grapes
5 or bulk wine to Plaintiff, commonly known as “custom crush” arrangements.

6 3. Defendant Hugh Reimers (“Reimers”) is an individual who provided grapes and bulk
7 wine to Plaintiff to perform custom crush services.

8 4. Defendant Torick Farms, LLC is a California Limited Liability Company managed by
9 Reimers.

10 5. Defendants surreptitiously delivered smoke-tainted grapes and wines to Plaintiff in
11 violation of express representations to the contrary, causing Plaintiff to incur substantial excess
12 material costs in storing Defendants’ wine.

13 6. Due to Defendants’ misrepresentation of the smoke-tainted nature of Defendants’ wine,
14 Plaintiff is now forced to replace wooden tanks and barrels that held that wine.

15 7. Plaintiff invoiced Defendants for the excess costs incurred in the warehousing storage
16 of Defendants’ wine, but Defendant has refused to pay the invoice therefore.

17 8. Plaintiff thus seeks a judgment that it has a valid warehouse lien on the wine, and that
18 Plaintiff can execute upon and sell Defendants’ wine to cover the invoiced storage charges.

19 9. In the alternative, Plaintiff seeks damages from Defendant for Defendant’s intentional
20 or negligent misrepresentation of the smoke-tainted wine and the costs to replace the wooden tanks
21 and barrels that were used to store the tainted wine and that cannot be used again as a result, and
22 punitive damages for Defendants’ intentional misrepresentations.

23 10. Moreover, Defendant lacks the required licensing to engage in the sale of wine, yet has
24 engaged or attempted to engage in sales of wine despite their lack of the required licenses. Such
25 conduct constitutes unfair trade practices and Plaintiff is entitled to statutory damages and attorneys’
26 fees as a result of those violations.

27 **PARTIES**

28 11. Plaintiff is a Delaware Limited Liability Company in good standing, whose principal

1 place of business is located in Lake County, California.

2 12. Plaintiff alleges on information and belief that Defendant Hugh Reimers is an
3 individual who is a resident of Sonoma County, California, and was or is the manager of Torick
4 Farms, LLC at various times during the time period at issue in this Complaint.

5 13. Plaintiff alleges on information and belief that Defendant Torick Farms, LLC is a
6 California Limited Liability Company based in Sonoma County, California and managed by
7 Defendant Reimers.

8 14. Plaintiff is ignorant of the true names and capacities of Defendants sued as Does 1
9 through 20, inclusive, and therefore sues those Defendants by fictitious names. Plaintiff will amend
10 this Complaint to allege the true names and capacities of those Defendants when ascertained. Plaintiff
11 alleges on information and belief that each Doe Defendant is responsible for the wrongful acts alleged
12 in this Complaint, and for the damages sustained by Plaintiff.

13 15. Plaintiff alleges on information and belief that at all relevant times each Defendant was
14 acting as the agent, employee or co-conspirator of the remaining Defendants, and that in performing
15 the acts alleged in this Complaint was acting within the course and scope of that agency, employment
16 or conspiracy and/or that each Defendant authorized, consented to or ratified to the acts of the other
17 Defendants.

18 **VENUE**

19 16. Venue is proper in this Court because Defendants regularly do business in this County
20 and the wrongful acts alleged occurred in this County.

21 **FACTUAL ALLEGATIONS**

22 17. The 2020 wine grape growing season in this County and nearby Counties was one of
23 the worst in memory. Wildfires in Lake, Sonoma, and Napa County, amongst others, resulted in
24 widespread smoke impacts to the grapes then on the vines.

25 18. Smoke taint is a serious threat to quality winemaking. Wines made from grapes
26 exposed to smoke have been variously described as astringent, bitter, or like “licking an ashtray.”
27 Smoke taint effectively precludes the making of high-quality premium wines.

28 19. Defendant Reimers, who has an extensive history in the wine industry, devised a

1 scheme to profit from the widespread smoke-damage.

2 20. In September 2020, Defendants presented to Plaintiff a scheme whereby Defendants
3 would purchase smoke-tainted grapes from Plaintiff's vineyards at "salvage" values, which Plaintiff
4 could use to file a claim for crop insurance. Defendants would then, with Plaintiff's proposed
5 assistance, use those "salvage" grapes to make wine at Plaintiff's winery facility and share the
6 proceeds of that wine with Plaintiff to offset Plaintiff's losses from its grapes. Plaintiff declined to
7 participate in this scheme, which Plaintiff believed constituted attempted insurance fraud.

8 21. Rather, Plaintiff repeatedly made clear to Defendants that under no circumstances
9 would smoke-tainted grapes or wine be welcome at Plaintiff's winery facility.

10 22. Defendants nevertheless sought to contract with Plaintiff for custom crush services for
11 the 2020 harvest.

12 23. Defendants also purchased smoke-tainted fruit from LF, with the express provision that
13 such fruit not be processed at Plaintiff's winery.

14 24. A form custom crush agreement was provided to Defendants, which prohibited tainted
15 fruit from being delivered to the winery.

16 25. Defendant Reimers proposed modifications to that standard contract on September 26,
17 2020, but LF never countersigned that proposed revised agreement.

18 26. Plaintiff instead proposed a separate Salvage Agreement on October 29, 2020, which
19 would have covered the processing and storage of salvage, smoke-tainted grapes and wine but provide
20 appropriate protections to the winery in light of the extra risk and materials required for such work.

21 27. Defendants did not agree to that contract.

22 28. On October 30, 2020, LF again confirmed that the salvage agreement was required for
23 any smoke-tainted fruit.

24 29. In response, Reimers specifically represented on October 31, 2020 that "the grapes
25 received at Langtry Estate October 28th & 29th from Torick Farms have no smoke taint or other
26 quality issues and should not be regarded as salvage."

27 30. That representation was false, and Defendants either knew that representation was false
28 at the time, or were reckless in not knowing so.

1 31. Defendants specifically intended that Plaintiff rely on this false statement, and Plaintiff
2 was damaged as a result.

3 32. Plaintiff was not aware of the smoke-taint in Defendants' wine prior to Defendants'
4 wine being placed in Plaintiff's oak tanks and barrels, permanently rendering them impacted as having
5 held smoke tainted wine.

6 33. Plaintiff stored Defendants' wine without any confirmed agreement, and as such
7 invoiced Defendant for ordinary storage costs including the costs of storage vessels exhausted by that
8 storage.

9 34. Oak tanks and barrels are employed in winemaking precisely because of their porous
10 nature to exchange chemical compounds between the wine and the wood.

11 35. LF can never again use the tanks and barrels for other clients' wine and hold them out
12 as being free of potential contamination and they must be replaced.

13 36. As an experienced winemaker, Defendant Reimers was aware of the impact that
14 smoke-tainted wine would have on oak storage, yet intentionally misrepresented the smoke-tainted
15 nature of the grapes and wine to Plaintiff. Those tanks and barrels thus now require replacement, and
16 Defendant was charged accordingly for materials that Defendants knew the storage of the wine would
17 exhaust.

18 37. As a direct and proximate result of Defendants' wrongful acts alleged above, LF has
19 been forced to incur excess costs and otherwise been damaged in an amount to be proven at trial.

20 **FIRST CAUSE OF ACTION**
21 **(Declaratory Judgment)**
 (Against all Defendants)

22 38. Plaintiff realleges and reincorporates by reference each and every allegation contained
23 in paragraphs 1-37 as though fully set forth herein.

24 39. An actual controversy exists between the parties as to the existence and remedy to
25 which Plaintiff is entitled pursuant to the warehouse rights provided in the California Commercial
26 Code and a declaration from this Court will address the dispute and will not be hypothetical or
27 advisory.

28 40. Plaintiff provides storage services for wine requiring a bond and is therefore a

1 warehouse under the California Commercial Code.

2 41. Section 7206(a) of the California Commercial Code provides that:

3 *A warehouse, by giving notice to the person on whose account the*
4 *goods are held and any other person known to claim an interest in the*
5 *goods, may require payment of any charges and removal of the goods*
6 *from the warehouse at the termination of the period of storage fixed by*
7 *the document of title or, if a period is not fixed, within a stated period*
8 *not less than 30 days after the warehouse gives notice. If the goods*
9 *are not removed before the date specified in the notice, the warehouse*
10 *may sell them pursuant to Section 7210.*

11 42. Section 7206(c) of the California Commercial Code provides that:

12 *If, as a result of a quality or condition of the goods of which the*
13 *warehouse did not have notice at the time of deposit, the goods are a*
14 *hazard to other property, the warehouse facilities, or other persons,*
15 *the warehouse may sell the goods at public or private sale without*
16 *advertisement or posting on reasonable notification to all persons*
17 *known to claim an interest in the goods. If the warehouse, after a*
18 *reasonable effort, is unable to sell the goods, it may dispose of them in*
19 *any lawful manner and does not incur liability by reason of that*
20 *disposition.*

21 43. Section 7206(e) of the California Commercial Code provides that:

22 *A warehouse may satisfy its lien from the proceeds of any sale or*
23 *disposition under this section but shall hold the balance for delivery on*
24 *the demand of any person to which the warehouse would have been*
25 *bound to deliver the goods.*

26 44. Section 7209(a) of the California Commercial Code provides that:

27 *A warehouse has a lien against the bailor on the goods covered by a*
28 *warehouse receipt or storage agreement or on the proceeds thereof in*
its possession for charges for storage or transportation, including
demurrage and terminal charges, insurance, labor, or other charges,
present or future, in relation to the goods, and for expenses necessary
for preservation of the goods or reasonably incurred in their sale
pursuant to law.

45. Although Plaintiff issued receipts for delivery of fruit or bulk wine sufficient to constitute warehouse receipts, Defendant evaded signing any contract with Plaintiff for the storage services that have been provided in connection with the smoke-tainted grapes and wine Defendants' delivered to Plaintiff's winery facility. As such, Plaintiff seeks a declaration that there is no stated period for notice pursuant to Section 7206(a).

46. Defendant intentionally misrepresented and concealed from Plaintiff the quality and condition of the goods delivered. As such, Plaintiff seeks a declaration that the goods are a hazard to

1 other property and Plaintiff may sell the goods without advertisement or posting; or that it may
2 dispose of the goods if there is no purchaser therefor following reasonable effort.

3 47. Defendant has refused to pay the invoiced amounts, but contends that the value of the
4 goods exceed the value of the asserted lien, and that therefore Plaintiff must deliver the remainder of
5 the goods in excess of the value of the invoice. Plaintiff seeks a declaration that, pursuant to Section
6 7206(e), Plaintiff need not deliver the balance of the wine until after its lien is satisfied. This is
7 particularly required because the value of the wine is inherently speculative and unknown until a
8 willing buyer for the smoke-tainted wine is found, if ever.

9 48. Wherefore, Plaintiff seeks declaratory judgment in accordance with the forgoing
10 requested, as well as its costs and fees in securing the judgment.

11 **SECOND CAUSE OF ACTION**
12 **(Fraud)**
(Against all Defendants)

13 49. Plaintiff realleges and reincorporates by reference each and every allegation contained
14 in paragraphs 1-48 as though fully set forth herein.

15 50. Defendants knowingly and intentionally, or with disregard for the truth, misrepresented
16 to Plaintiff the true nature of the grapes and wines delivered to Plaintiff's winery facility.

17 51. Defendants represented orally and in writing that the grapes delivered to Plaintiff's
18 winery on October 28 & 29 were not smoke tainted.

19 52. Defendants intended that Plaintiff rely on those representations, and Plaintiff did in fact
20 and justifiably rely on those representations in allowing Defendants' grapes and wine to be stored at
21 Plaintiff's winery facility.

22 53. Because of Defendant's fraudulent representations, Defendants' wine was placed in
23 wooden vessels that are intended to and do interact with the wine stored therein, including large oak
24 upright tanks and standard oak wine barrels.

25 54. Because there is no known means of entirely eliminating the impact of the interaction
26 between smoke-tainted wine and oak storage equipment, Plaintiff cannot reuse that equipment for its
27 own future winemaking use. Nor can Plaintiff represent to other custom-crush customers that those
28 tanks or barrels have not been used to store smoke-tainted wine and are free from smoke-taint-related

1 compounds. Because the prior use of such oak storage vessels for smoke-tainted wine may impact
2 wine that would be placed in those storage devices in the future, those tanks and barrels must be
3 replaced.

4 55. Had Defendants not misrepresented the nature of the grapes and wine, Plaintiff's oak
5 tanks and barrels would not have been damaged.

6 56. Defendants' conduct was a substantial factor in causing Plaintiff to suffer harm, and
7 Plaintiff will continue to suffer substantial injury and damage in amounts according to proof at trial.

8 57. Further, Defendants' conduct was and is fraudulent, oppressive, malicious, and in
9 conscious disregard of Plaintiff's rights, and Plaintiff is therefore entitled to punitive damages against
10 Defendants.

11 58. Wherefore Plaintiff prays for judgment as set forth below.

12 **THIRD CAUSE OF ACTION**
13 **(Negligence)**
 (Against all Defendants)

14 59. Plaintiff realleges and reincorporates by reference each and every allegation contained
15 in paragraphs 1-58, but excluding paragraphs 47-56, as though fully set forth herein.

16 60. Defendants delivered smoke-tainted grapes and wine to Plaintiff's winery facility.

17 61. Defendants represented orally and in writing that the grapes delivered to Plaintiff's
18 winery were not smoke tainted. Defendant's representations were not made with ordinary care.

19 62. Because of Defendant's representations, Defendants' wine was placed in wooden
20 vessels that are intended to and do interact with the wine stored therein, including large oak upright
21 tanks and standard oak wine barrels.

22 63. Because there is no known means of entirely eliminating the impact of the interaction
23 between smoke-tainted wine and oak storage equipment, Plaintiff cannot reuse that equipment for its
24 own future winemaking use. Nor can Plaintiff represent to other custom-crush customers that those
25 tanks or barrels have not been used to store smoke-tainted wine and are free from smoke-taint-related
26 compounds. Because the prior use of such oak storage vessels for smoke-tainted wine may impact
27 wine that would be placed in those storage devices in the future, those tanks and barrels must be
28 replaced.

1 64. Had Defendants not misrepresented the nature of the grapes and wine, Plaintiff's oak
2 tanks and barrels would not have been damaged.

3 65. Defendants' conduct was a substantial factor in causing Plaintiff to suffer harm, and
4 Plaintiff will continue to suffer substantial injury and damage in amounts according to proof at trial.

5 66. Wherefore Plaintiff prays for judgment as set forth below.

6 **FOURTH CAUSE OF ACTION**
7 **(Intentional Interference with Economic Advantage)**
8 **(Against all Defendants)**

9 67. Plaintiff realleges and reincorporates by reference each and every allegation contained
10 in paragraphs 1-66 as though fully set forth herein.

11 68. Plaintiff provides custom crush services that would have resulted in an economic
12 benefit, or greater benefit, to Plaintiff had Defendants not undertaken their actions.

13 69. Plaintiff is informed and believes and thereon alleges that Defendants knew of the
14 relationship and intended to disrupt it.

15 70. Plaintiff is informed and believes and thereon alleges that Defendants delivered smoke-
16 tainted grapes and wine to Plaintiff's winery facility with the intention of occupying Plaintiff's storage
17 equipment, including tanks and barrels, with smoke-tainted wine and thereby prevent Plaintiff from
18 using such storage equipment for other clients in the future.

19 71. Plaintiff is informed and believes and thereon alleges that each Defendant conspired
20 with the other Defendants in carrying out a common course of conduct to contaminate Plaintiff's
21 storage equipment.

22 72. As a direct and proximate result of Defendants' conduct, Plaintiff's relationship with its
23 customers and custom crush clients were disrupted and will be disrupted.

24 73. Defendants' conduct was a substantial factor in causing Plaintiff to suffer harm,
25 including lost profits from future custom crush and storage services, and Plaintiff will continue to
26 suffer substantial injury and damage in amounts according to proof at trial.

27 74. Further, Defendants' conduct was and is fraudulent, oppressive, malicious, and in
28 conscious disregard of Plaintiff's rights, and Plaintiff is therefore entitled to punitive damages against
Defendants.

1 75. Wherefore Plaintiff prays for judgment as set forth below.

2 **FIFTH CAUSE OF ACTION**
3 **(Negligent Interference with Economic Advantage)**
4 **(Against all Defendants)**

5 76. Plaintiff realleges and reincorporates by reference each and every allegation contained
6 in paragraphs 1-48 and 59-75, but excluding paragraphs 49-58, as though fully set forth herein.

7 77. Plaintiff provides custom crush services that would have resulted in an economic
8 benefit, or greater benefit, to Plaintiff had Defendants not undertaken their actions.

9 78. Plaintiff is informed and believes and thereon alleges that Defendants should have
10 known of the relationship and should have known that their actions would disrupt it.

11 79. Plaintiff is informed and believes and thereon alleges that Defendants delivered smoke-
12 tainted grapes and wine to Plaintiff's winery facility, occupying Plaintiff's storage equipment,
13 including tanks and barrels, with smoke-tainted wine and thereby preventing Plaintiff from using such
14 storage equipment for other clients in the future.

15 80. Plaintiff is informed and believes and thereon alleges that each Defendant conspired
16 with the other Defendants in carrying out a common course of conduct that led to the contamination of
17 Plaintiff's storage equipment.

18 81. As a direct and proximate result of Defendants' conduct, Plaintiff's relationship with its
19 customers and custom crush clients were disrupted and will be disrupted.

20 82. Defendants' conduct was a substantial factor in causing Plaintiff to suffer harm,
21 including lost profits from future custom crush and storage services, and Plaintiff will continue to
22 suffer substantial injury and damage in amounts according to proof at trial.

23 83. Wherefore Plaintiff prays for judgment as set forth below.

24 **SIXTH CAUSE OF ACTION**
25 **(Breach of Contract)**
26 **(All Defendants)**

27 84. Plaintiff realleges and reincorporates by reference each and every allegation contained
28 in paragraphs 1-83 as though fully set forth herein.

 85. Plaintiff proposed a form of contract to Defendants to carry out custom crush services.
Defendant proposed revisions to that contract, to which Plaintiff did not agree. As such, the contract is

1 not valid and Plaintiff contends that no contract exists. In the alternative however, Plaintiff alleges that
2 it performed all obligations to produce wine under the contract but the terms of that contract were
3 violated by Defendants' delivery of smoke-tainted fruit and wine to Plaintiff's facility and failure to
4 pay for the services and storage provided.

5 86. Plaintiff proposed a form of contract to Defendants to carry out salvage grape services.
6 Defendant did not agree to that contract. As such, the contract is not valid and Plaintiff contends that
7 no contract exists. In the alternative however, Plaintiff alleges that it performed all obligations to
8 produce wine under the contract but the terms of that contract were violated by Defendants' delivery
9 of smoke-tainted fruit and wine to Plaintiff's facility and failure to pay for the services and storage
10 provided.

11 87. The unexecuted contracts required Defendant to be duly licensed to carry out wine
12 transactions. Defendant did not obtain such licenses, in breach of the proposed contract.

13 88. As a direct and proximate result of Defendants' unlawful conversion, Plaintiff has
14 suffered and will continue to suffer substantial injury and damage in amounts according to proof at
15 trial.

16 89. Wherefore Plaintiff prays for judgment as set forth below.

17 **SEVENTH CAUSE OF ACTION**
18 **(Violation of B.P.C. § 17200 et seq.)**
19 **(Against All Defendants)**

20 90. Plaintiff realleges and reincorporates by reference each and every allegation contained
21 in paragraphs 1-89 as though fully set forth herein.

22 91. California's unfair competition law defines "unfair business competition" to include
23 "any unlawful, unfair, or fraudulent" act or practice. Cal. Bus. Prof. § 17200.

24 92. Plaintiff is informed and believes and therefore alleges Defendants actions described
25 above constitute unlawful, unfair or fraudulent business act or practices and unfair, deceptive, untrue
26 or misleading advertising in violation of the Unfair Competition Law, B.P.C. § 17200 et seq.

27 93. Plaintiff is informed and believes and therefore alleges Defendants, *inter alia*, engaged
28 in the unauthorized and unlawful sale of wine without a license, and made misleading statements to
Plaintiff regarding the smoke-tainted nature of the grapes and wine delivered to Plaintiff's winery

1 facility.

2 94. Each of the Defendants conspired with the other Defendants in carrying out a common
3 course of conduct to engage in unlicensed transactions in wine and misrepresent the smoke-tainted
4 nature of grapes and wine.

5 95. Defendants' actions constitute unfair competition and have acquired money and
6 property by means of such unfair competition.

7 96. Defendants' unfair competition described above should be enjoined and the profits
8 thereof accounted for and disgorged.

9 97. The violation of the Unfair Competition Law caused injury and damages to Plaintiff in
10 an amount to be proven at trial.

11 98. Wherefore Plaintiff prays for judgment as set forth below.

12 WHEREFORE, Plaintiff prays for judgment as follows:

- 13 1. For a judgment declaring that Plaintiff has a valid and proper warehouse lien on
- 14 Defendant's wine in Plaintiff's possession and that Plaintiff may sell such wine to
- 15 cover the invoiced amounts due;
- 16 2. For an injunction preventing Defendants from engaging in the unlawful, unlicensed
- 17 sale of wine;
- 18 3. For compensatory damages according to proof at trial;
- 19 4. For punitive damages according to proof at trial;
- 20 5. For disgorgement of profits of unlicensed wine sales
- 21 6. For recovery of reasonable attorneys' fees according to proof;
- 22 7. For recovery of costs and expenses according to proof;
- 23 8. For such other and further relief as the Court may deem just and proper.

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JURY TRIAL DEMAND

Plaintiff hereby demands a trial by jury of all matters so triable.

Dated: May 3, 2021

DICKENSON PEATMAN & FOGARTY



By: _____
Joshua S. Devore