

## Dispute Over Natural Foods Company Settled

EUGENE, Ore. (AP) — A three-year dispute over control of a Eugene natural foods company and other assets of a Sikh community was settled with feuding religious and business leaders dropping claims against each other.

A federal bankruptcy judge approved the settlement Monday, [The Register-Guard](#) [1] reported.

It calls for transition to new leadership for the East West Tea Company, which packages tea under the Yogi Tea brand.

The tea company is what's left of Golden Temple of Oregon, which built the Peace Cereal and Yogi Tea brands and was long a cornerstone of Eugene's natural foods industry

Golden Temple sold its cereal division to Hearthside Food Solutions in 2010 for \$71 million.

Under the settlement, former Eugene resident and prominent local businessman Kartar Singh Khalsa will resign from the Unto Infinity management board that controlled the Sikh community's for-profit companies and religious and educational charities.

He is to remain CEO of the tea company until Dec. 31, and relinquish his ownership interest in Golden Temple of Oregon, which he valued at \$23.5 million in bankruptcy filings.

"I'm walking away from my lifetime's work," Kartar Khalsa testified Monday. Now 61, he said he was 22 when he started working with the Eugene bakery that would grow into Golden Temple.

"We're pleased that this is behind us so we can look forward and spend productive time and effort fulfilling the mission of our various organizations," said Avtar Hari Singh Khalsa, one of the community's religious leaders who had sued Kartar Khalsa and other Unto Infinity managers and Golden Temple top executives in Multnomah County.

A judge there found in December that Kartar Khalsa and three other Unto Infinity managers breached their responsibility to safeguard the Sikh community's assets and that Kartar Khalsa and four other Golden Temple top executives were unjustly enriched by a 2007 restructuring that gave them ownership of 90 percent of the prosperous company.

U.S. Bankruptcy Court Judge Frank Alley approved the settlement Monday, saying that continued litigation would "erode prospects and profitability of businesses that

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are at the heart of this dispute."

Joe VanLeuven, who represented the Sikh religious community in bankruptcy proceedings, estimated that legal fees had exceeded \$10 million, perhaps rising to \$15 million.

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[1] <http://is.gd/Q68ZNT>