

# Out-of-court scramble settles egg dispute

ATLANTA, Ga. — A plan for the settlement of the 3-year long dispute between United Egg Producers and Standard Brands, Inc. was tentatively agreed upon last week. By an order of U.S. District Judge William C. O'Kelley, the agreement will be proposed in court on Oct. 31 for either approval or disapproval by class members and the court.

The settlement came out of court, after both sides reportedly had given "due consideration to the hazards of suit..."

The conflicting parties agreed that it would be "in the best interests of all plaintiffs and the defendant to settle all claims ... without further litigation or trial."

Thus ended the egg industry's 3-year old battle to halt alleged misleading advertising by Standard Brands, Inc., the makers of "Egg Beaters," and egg substitute product.

The hearing on Oct. 31 will take place before Judge O'Kelley at 11 a.m. in Room 220 of the United States Courthouse, 56 Forsythe Street, Atlanta, Ga. Any member of United Egg Producers, a national cooperative for egg farmers, may attend and be heard. Members' attention is particularly invited to the fact that the approval of the settlement will produce money only to UEP for its expense in connection with the litigation, and not to any individual producer or regional cooperative.

According to the proposed settlement, the egg industry plaintiffs will be awarded \$307,500 for attorneys' fees and other costs. It also gives the industry assurance that Standard Brands will use only factual advertising in the future.

A clause in the settlement would also prohibit either Standard Brands or UEP to return to court with the same claims involved in the original suit and countersuit.

Approval of settlement is thought to be a near certain.

The terms of the proposed settlement are contained in 14 paragraphs which describe restrictions and other provisions which both parties are expected to adhere to. They may be summed up as follows:

1. The parties agree that Standard Brands, Incorporated, its subsidiaries, affiliates and divisions (Standard Brands) and the United Egg Producers (UEP), its members, as individuals and as members of UEP, their successors, assigns, affiliates, owners, proprietors, partners, and other entities shall not from this day forward and without acknowledging that they have done so in the past cause to be made, distributed or published any disparaging statements concerning eggs or the Standard Brands product "Egg Beaters" about the diet-heart cholesterol issue in any advertisement or public medium where such disparaging statement is likely to have an adverse commercial effect on eggs or "Egg Beaters." Advertisement shall include but shall not be limited to advertisements in magazines, periodicals, trade journals or through radio and television. Nothing in this agreement shall prohibit any party from giving testimony, making statements or presenting talks or technical papers before shareholders' meetings, association or board meetings, professional or technical groups or before any public or governmental regulatory body relating to eggs or "Egg Beaters" or the diet-heart cholesterol issue.

2. Except as otherwise permitted herein, no party shall disseminate or cause the dissemination of any advertisement about eggs or "Egg Beaters" which represents that eggs or "Egg Beaters" have a special tendency to create serum cholesterol medical disadvantages or advantages for those who ingest them or one that represents that, because of an effect on serum cholesterol, eating eggs or "Egg Beaters" increases or

decreases the risk of heart attack, heart disease, arteriosclerosis or any attendant condition or that eating eggs or "Egg Beaters" adversely or beneficially affects the serum cholesterol level.

Nothing in this agreement shall preclude either party from any use of any material now in use on their respective labels or on any alterations thereof so long as such labels or other material are permitted or required by law or regulation of any federal, state or municipal government or competent subdivision of agency thereof or by the National Association of Broadcasters or other industry or related industry regulatory body.

3. Nothing in this agreement shall prevent Standard Brands from advertising "Egg Beaters" as a "no cholesterol" product or from designating "Egg Beaters" as a "no cholesterol" or "cholesterol-free" egg substitute.

4. Nothing in this agreement shall prevent the parties from making truthful statements of fact with respect to the nutritional characteristics of eggs or "Egg Beaters" and comparative statements, including but not limited to,

taste and cooking, which are not invidious but are designed to foster competition among competing products.

Nothing in this agreement shall prevent the parties from making any statements with respect to eggs or "Egg Beaters" in any of their internal publications provided such statements are factual.

6. Because it has been determined that UEP expended an amount greater than that expended by Standard Brands in the prosecution and defense of various claims in this action, defendant Standard Brands agrees to pay to plaintiff UEP Three Hundred Seven Thousand Five Hundred (\$307,500) Dollars for its attorneys' fees, disbursements and expenses so that neither party may be said to have benefited at the expense of the other from the litigation.

7. Each party agrees to return to each other all copies of all documents secured from the other by discovery or otherwise in connection with this litigation, and not to

(Turn to Page 36)



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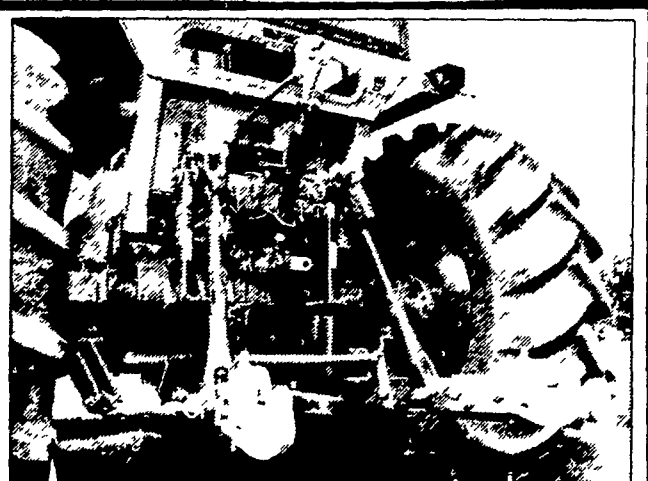
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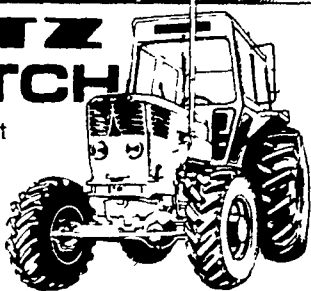
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