

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

COMMONWEALTH OF PENNSYLVANIA
ERNEST D. PREATE, JR.
ATTORNEY GENERAL

PLAINTIFF

VS.

S&B INTERNATIONAL CORPORATION
21515 HAWTHORNE BLVD.
UNION BANK TOWER, SUITE 601
TORRANCE, CA 90503

DEFENDANT

: CIVIL ACTION - EQUITY

: NO. 358 MD 1552

ASSURANCE OF VOLUNTARY COMPLIANCE/DISCONTINUANCE

COUNSEL FOR PLAINTIFF

ROBIN DAVID BLEECHER
DEPUTY ATTORNEY GENERAL
ATTORNEY NO. 32594

OFFICE OF ATTORNEY GENERAL
BUREAU OF CONSUMER PROTECTION
HARRISBURG REGIONAL OFFICE
132 KLINE VILLAGE
HARRISBURG, PENNSYLVANIA 17104
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COMMONWEALTH COURT
PENNSYLVANIA
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ASSURANCE OF DISCONTINUANCE/VOLUNTARY COMPLIANCE BY
S&B INTERNATIONAL CORPORATION

Pursuant to the provisions of their respective state laws¹ the Attorneys General of the States of California, Connecticut, Florida, Illinois, Massachusetts, Minnesota, Missouri, New York, Pennsylvania, Texas, and Wisconsin ("Attorneys General") have caused an inquiry to be made into S&B International Corporation's labeling and advertising of its various Sun-Bird "Oriental Seasoning Mixes". Based upon that inquiry, the Attorneys General believe the following:

1. S&B International Corporation ("S&B") is a California Corporation, with its principal place of business located at 21515 Hawthorne Boulevard, Torrance, California 90503.

2. S&B, under the "Sun-Bird" brand name produces, advertises and markets 14 various "Oriental Seasoning Mixes".

3. S&B in attempting to sell these products has represented to the public that:

a. Their products "Contain[s] No MSG (monosodium glutamate)," and

1. California Business and Professions Code Section 17500 et seq.; Conn. Gen. Stat. 42-110b(a), 42-110d, 42-110m, and 42-110o; Florida Stat. Section 501.201 et seq.; Illinois Consumer Fraud and Deceptive Business Practices Act (Ill. Rev. Stat. 1987, ch. 121 1/2, par. 262 et seq.); Massachusetts General Law c.93A et seq.; Minn. Stat. Section 8.31 (1990), Missouri Revised Stat. 407.020 (1986); 325 F. 67-70 (1988) and Section 325 D. 43-48 (1988); New York Executive Law Section 63(12) and General Business Law Sections 349 and 350; Pennsylvania Unfair Trade Practices and Consumer Protection Law, Act of December 17, 1968, P.L. 1224, as amended and reenacted by the Act of November 23, 1976, P.L. 1166, 73 P.S. Section 201-01 et seq.; Tex. Bus. & Com. Code Ann. Section 17.41 et seq. (Vernon 1980); Wisc. Stat. Section 100.18(1).

b. Their products have "No MSG Added."

4. The Attorneys General believe that these representations as used in radio advertisements and on product labeling misrepresented, directly and by implication, that Sun-Bird Brand "Oriental Seasoning Mixes" contained no MSG, other than that which is naturally occurring in the raw ingredients used to make the various "Oriental Seasoning Mixes". In fact, the Attorneys General believe that:

a. Each of the mixes had added to them, as an ingredient, hydrolyzed protein that inherently contained MSG;

b. As a result of the process of hydrolyzing a substance to create hydrolyzed protein, MSG is produced; and

c. When S&B added hydrolyzed protein to its various "Oriental Seasoning Mixes", non-naturally occurring MSG was also added to these products.

5. The Attorneys General believe that the representations set forth in paragraph 3 above had the capacity or tendency to mislead the public about the MSG content of the various Sun-Bird "Oriental Seasoning Mixes".

AND, WHEREAS, S&B denies that its use of the representation "No MSG Added" on product labels is misleading or deceptive as a matter of law, or that Sun-Bird "Oriental Seasoning Mixes" ever contained significant amounts of MSG. Further, S&B states that it has reformulated its "Oriental Seasoning Mix" product to eliminate hydrolyzed protein and believes that at present there is no question that the claim "No MSG Added" is lawful.

IT NOW APPEARS THAT the parties are willing to enter into this Assurance of Discontinuance/Voluntary Compliance in order to conclude this matter.

TERMS OF THE ASSURANCE

With regard to product packaged by S&B subsequent to this agreement, S&B International Corporation agrees, for itself and on behalf of its agents, employees, representatives, successors and assignees and all persons, corporations or other entities acting by, through, under or on behalf of it and all persons acting in concert or participating with it, as follows:

1. S&B will not represent that any of its products "Contain No MSG" or have "No MSG Added" or use any similar phrase, when describing any product which has as an ingredient (a) MSG, or (b) any protein hydrolysate of which MSG is a component.

2. S&B will not package, ship, produce, or sell any product which has as an ingredient (a) MSG, or (b) any protein hydrolysate of which MSG is a component, in any container the label of which bears the designation "Contain(s) No MSG" or "No MSG Added" or any similar phrase.

3. When responding to consumer inquiries regarding the MSG content of any of its products, S&B will not make any statements which are untrue or misleading regarding the presence of or absence in any of S&B's products of (a) MSG, or (b) any protein hydrolysate of which MSG is a component.

4. S&B will, upon the signing of this Assurance, pay the sum of \$33,000.00, for consumer education, litigation, or the local consumer aid fund or as costs of or the expense of this inquiry, at the discretion of each state's Attorney General. Each state's share of said sum shall be paid to such accounts and addresses as each signing Attorney General shall direct.

5. It is further agreed that S&B shall file a written compliance report with each Attorney General's office which is a signatory hereto on or before November 1, 1992. Such report shall indicate the manner and extent of S&B's compliance with the terms of this Assurance of Discontinuance/Voluntary Compliance.

6. It is further agreed that if in the future the Federal Food and Drug Administration adopts a regulation defining when MSG or glutamic acid must be disclosed on a label, then S&B will not be in violation of this agreement if S&B complies with said regulation.

7. Nothing in this agreement nor any action taken by S&B in compliance with this agreement shall constitute an admission of any liability or wrongdoing by S&B for any purpose.

8. S&B states that the terms of this Agreement shall be followed by S&B in their production, sales, advertising and labeling in all fifty states.

9. The Attorneys General agree that upon S&B's execution of this Assurance of Discontinuance/Voluntary Compliance, and upon compliance with this Assurance by S&B, its agents, employees, representatives, successors,

assignees and all persons, corporations or other entities acting by, through, under or on behalf of it and all persons acting in concert or participating with it, the Attorneys General shall not institute any further action against S&B or the other aforesaid entities with respect to the subject matter of this agreement.

10. This Assurance may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one and the same Assurance.

Dated: October 7th, 1992

S&B International Corporation

By: Akira Takahashi 10/7/92
Akira Takahashi
General Manager & Assistant Secretary (Signatures attached as Counterparts)

By: Stephen A. Neitz 10/5/92
Legal Counsel

DANIEL E. LUNGREN
Attorney General of California
ALBERT NORMAN SHELDEN
Deputy Attorney General

RICHARD BLUMENTHAL
Attorney General of Connecticut
MICHAEL A. ARCARI
Assistant Attorney General

ROBERT A. BUTTERWORTH
Attorney General of Florida
JACK A. NORRIS, JR.
Assistant Attorney General

ROLAND W. BURRIS
Attorney General of Illinois
DEBORAH HAGAN
Assistant Attorney General

SCOTT HARSHBARGER
Attorney General of the
Commonwealth of Massachusetts
SUSAN PAPANEK MCHUGH
Assistant Attorney General

HUBERT H. HUMPHREY, III
Attorney General of Minnesota
ROBERTA J. CORDANO
Special Assistant Attorney
General

WILLIAM L. WEBSTER
Attorney General of Missouri
PETER LUMAGHI
Assistant Attorney General

ROBERT ABRAMS
Attorney General of New York
SHIRLEY STARK
Assistant Attorney General

ERNEST D. PREATE, JR.
Attorney General of Pennsylvania
ROBIN DAVID BLEECHER
Deputy Attorney General

DAN MORALES
Attorney General of Texas
CRAIG JORDON
Assistant Attorney General

JAMES E. DOYLE
Attorney General of Wisconsin
BARBARA TUERKHEIMER
Assistant Attorney General

In the matter of S&B International Corporation:

ASSURANCE OF DISCONTINUANCE/VOLUNTARY COMPLIANCE

Dated: *October 7, 1992*

ERNEST D. PREATE, JR., Attorney General
of the Commonwealth of Pennsylvania

RENARDO L. HICKS, Chief Deputy Attorney
General

BY: 

ROBIN DAVID BLECHER, Deputy Attorney
General

Attorney for the Commonwealth of
Pennsylvania

IN THE MATTER OF
S & B INTERNATIONAL CORPORATION

DANIEL E. LUNGREN, Attorney General
HERSCHEL T. ELKINS, Senior Assistant
Attorney General



ALBERT NORMAN SHELDEN
Supervising Deputy Attorney General
Attorney General's Office
110 West "A" Street, Suite 700
P.O. Box 85266
San Diego, California 92186-5266

Dated: San Diego, California
~~September~~, 1992
October 7, 1992

In the matter of S&B International Corporation:


ASSURANCE OF DISCONTINUANCE/VOLUNTARY COMPLIANCE

Dated: August 26, 1992

RICHARD BLUMENTHAL
ATTORNEY GENERAL

STATE OF CONNECTICUT

BY:

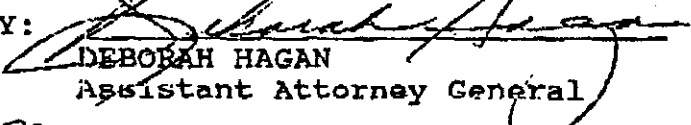


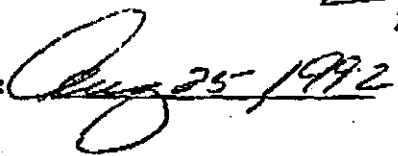
MICHAEL A. ARCARI
Assistant Attorney General

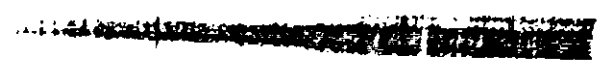
State of Connecticut

In the matter of S&B International Corporation:
ASSURANCE OF DISCONTINUANCE/VOLUNTARY COMPLIANCE

FOLAND W. BURRIS
Attorney General of Illinois

BY: 
DEBORAH HAGAN
Assistant Attorney General

Dated: 



In the Matter of
S & B INTERNATIONAL CORPORATION

ASSURANCE OF DISCONTINUANCE/VOLUNTARY COMPLIANCE

ROBERT A. BUTTERWORTH
Attorney General of the
State of Florida

BY: *Jack A. Norris, Jr.*
JACK A. NORRIS, JR.
Assistant Attorney General
4000 Hollywood Blvd.,
Suite 505-South
Hollywood, FL 33021
(305)985-4780

Dated: *October 7*, 1992
Hollywood, Florida

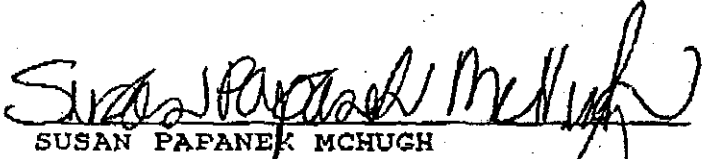
Dated: *October 7, 1982*

S&B International Corporation

By: _____

By: _____
Legal Counsel

SCOTT HARSHBARGER
Attorney General of the
Commonwealth of Massachusetts


SUSAN PAPANEK MCHUGH
Assistant Attorney General

In the matter of S&B International Corporation:

ASSURANCE OF DISCONTINUANCE/VOLUNTARY COMPLIANCE

Dated: *August 24, 1992*

HUBERT H. HUMPHREY III
Attorney General
State of Minnesota

By:

Roberta J. Cordano

ROBERTA J. CORDANO
Special Assistant Attorney General

Attorney for the State of Minnesota

In the matter of S & B International Corporation:

ASSURANCE OF VOLUNTARY COMPLIANCE

Dated: *October 7, 1992*

WILLIAM L. WEBSTER
Attorney General

Peter Lumaghi

Peter Lumaghi #24160
Assistant Deputy Attorney General
Wainwright State Office Building
111 North 7th Street, Suite 903
St. Louis, MO 63101
(314) 340-6816


In the Matter of S&B International Corporation:

ASSURANCE OF DISCONTINUANCE/VOLUNTARY COMPLIANCE

Dated: October 7, 1992

ROBERT ABRAMS,
Attorney General of the
State of New York

By:


SHIRLEY STARK
Assistant Attorney General
of the State of New York

Signed October 7, 1992

DAN MORALES
Attorney General of Texas



CRAIG JORDAN
Assistant Attorney General
Consumer Protection Division
714 Jackson, Suite 700
Dallas, Texas 75202
(214) 742-9698
(214) 939-3930 (fax)

TOTAL P.03

IN THE MATTER OF S&B INTERNATIONAL CORPORATION:
ASSURANCE OF DISCONTINUANCE/VOLUNTARY COMPLIANCE

Dated: *October 7, 1992*

JAMES E. DOYLE
Attorney General of Wisconsin

By: *Barbara W. Tuerkheimer*
BARBARA W. TUERKHEIMER
Assistant Attorney General

CERTIFICATE OF SECRETARY

I, MITSUO OBORA, Secretary of S & B INTERNATIONAL CORPORATION, a California corporation (the "Corporation"), do hereby certify as follows:

1. I am the duly elected and qualified Secretary of the Corporation and custodian of the Corporation's records;
2. Akira Takahashi is the duly elected and qualified Assistant Secretary of the Corporation, and is also serving as the General Manager of the Corporation;
3. Akira Takahashi, in his capacity as General Manager of the Corporation, is vested with the authority to contract and obligate the Corporation in the ordinary course of business and, pursuant to such authority, he is authorized to execute and deliver that certain Assurance of Discontinuance/Voluntary Compliance, a copy of which is attached hereto as Exhibit "A", on behalf of and in the name of the Corporation, with the effect to bind the Corporation to the obligations stated therein.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Corporation this ___ day of September, 1992.


MITSUO OBORA
Secretary