

THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW MEXICO

FRONT RANGE EQUINE RESCUE, THE)	
HUMANE SOCIETY OF THE UNITED)	
STATES, MARIN HUMANE SOCIETY,)	CAUSE No. 1:13-cv-00639-MCA-RHS
HORSES FOR LIFE FOUNDATION,)	
RETURN TO FREEDOM, ROMONA)	
CORDOVA, KRISTLE SMITH, CASSIE)	
GROSS, DEBORAH TRAHAN and)	
BARBARA SINK,)	
)	
Plaintiffs,)	
)	
vs.)	
)	
TOM VILSACK, Secretary U.S. Department of)	
Agriculture, ELIZABETH HAGEN, Under)	
Secretary for Food Safety, U.S. Department of)	
Agriculture; and ALFRED A. ALMANZA,)	
Administrator, Food Safety and Inspection)	
Service, U.S. Department of Agriculture,)	
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Defendants.)	
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DECLARATION OF KEATON WALKER

I, Keaton Walker, declare as follows under penalty of perjury:

1. I am over twenty-one years old, competent and have personal knowledge regarding the matters set forth in this declaration. The facts set forth are true to the best of my knowledge and recollection. If called, I could and would testify to these facts in a court of law.

2. I am the President and a founder of Responsible Transportation, L.L.C., a limited liability company organized in Iowa (hereinafter referred to as "RT" or the "Company").

3. RT was founded in 2010 by three Iowa residents ("Founders"), Chase Greiner, Travis Bouslog and Keaton Walker, as students and after graduation from the University of Iowa. As a result of the restoration of federal funding to the U.S. Department of Agriculture ("USDA") for meat inspectors for equine processing plants in 2011, the Founders developed a business plan and raised equity capital of \$1.5 million from 22 local investors, including family members, and debt financing of approximately \$1.4 million to acquire, refurbish and start-up a humane, locally operated equine-processing facility in Sigourney, Iowa. As a condition of

acquiring the debt financing, each of the Founders was required to provide a personal guarantee of the debt financing.

4. RT's business plan is to establish a plant in Iowa to meet the need for processing equine in the United States to avoid the current situation where equine are sold in the United States and shipped in inhumane conditions to Mexico and Canada for processing outside the United States. RT's company name was chosen to reflect our intent to present a more responsible solution to the transportation outside the United States of the excess supply of United States equine. RT plans to sell the processed meat domestically for use by zoos and outside the United States for human consumption.

5. On December 4, 2012, RT purchased a vacant meat processing plant in Sigourney, Iowa, for \$650,000 owned by West Liberty Foods, L.L.C. and Protein Processing, L.L.C. that formerly employed approximately 150 people (the "Facility"). RT has spent over \$1 million over the last 6 months renovating the Facility. Sigourney has a population of approximately 2000 residents.

6. RT has 5 full time employees and 1 part time employee. As of July 17, 2013, RT has received 161 completed job applications for employment at RT. RT has extended 11 contingent offers for employment, but cannot commit to hiring them until the legal challenges to the USDA equine processing inspection program are cleared. If the legal challenges are resolved favorably, RT plans to hire over 20 employees by the end of 2013.

7. RT is currently prepared to commence operations. RT has delayed its assignment of a USDA inspector in light of Plaintiffs' Motion for a Temporary Restraining Order and Preliminary Injunction in this action (the "Action"). RT is named in footnote 1 in Plaintiffs' Motion as a business that Plaintiffs seek to enjoin the USDA from issuing an inspector required by RT to commence operations.

8. This is not the first time that Front Range Equine Rescue and the Humane Society of the United States have sought to prevent RT from commencing operations. The Plaintiffs, Front Range Equine Rescue and the Humane Society of the United States, previously filed a Petition for Rulemaking of over 140 pages (including affidavits and exhibits) on May 14, 2013 with the Iowa Department of Inspections and Appeals, Food and Consumer Safety Bureau requesting that the Department adopt a rule that all equine meat be deemed adulterated under Iowa law unless the processed equine had an "equine passport." Because RT was the sole target of the Iowa petition, RT incurred significant legal fees responding to this Petition. The Petition was denied by the Iowa DIA on July 12, 2013.

9. Plaintiffs Front Range Equine Rescue and the Humane Society of the United States filed a similar request for rulemaking with the USDA on or about April 6, 2012. That request was denied by the USDA on or about June 28, 2013. This Action was filed on July 2, 2013.

10. RT has diligently completed the lengthy application and inspection process to receive a Grant of Inspection from the USDA. RT received approval for its conditional grant of inspection on July 2, 2013. The process to obtain this conditional grant included completing the following items:

- (a) 12/13/12 - Application for a federal Grant of Inspection for equine processing with the USDA.
- (b) 12/26/12 - Establishment number 45099 granted by USDA district manager to RT.
- (c) 1/3/13 - Local company initiated pest control program.
- (d) 3/28/13 - USDA EIO's reviewed control plans and operating procedures.
- (e) 4/18/13 - Registered as Packer Buyer with the USDA Packers and Stockyards Administration.
- (f) 4/18/13 - Filed Packers Inquiry with the USDA Packers and Stockyards Administration.
- (g) 4/22/13 - Registered premises with the Iowa Department of Agriculture and Land Stewardship's Animal Identification Program.
- (h) 4/23/13 - Representative of the Iowa Department of Agriculture reviewed Facility.
- (i) 5/1/13 - Received letter of guarantee from licensed renderer.
- (j) 7/1/13 - Final walk-through with four USDA representatives.

11. RT has also complied with numerous environmental requirements imposed on the Company in order to obtain its debt financing, including the following:

- (a) 10/10/12 - Completed Phase I Environmental Site Assessment Report per SBA request prior to Facility purchase.
- (b) 10/31/12 - Completed Phase II Environmental Soil & Sediment samplings per SBA request prior to Facility purchase.
- (c) 5/23/13 - Completed Supplemental Soil & Sediment sampling per SBA request.

12. The following is a list of additional tasks and milestones completed relating to environmental permitting required by the USDA:

- (a) 1/3/13 - Issued NPDES General Permit #1 for Storm Water Discharge associated with Industrial Activity by Iowa Department of Natural Resources, required for industrial facilities with storm water runoff.
- (b) 2/4/13 - Iowa Department of Natural Resources inspected potable water system.
- (c) 2/14/13 - Issued Operation Permit for Land Application of wastewater by Iowa Department of Natural Resources, required for facilities land applying wastewater.

- (d) 2/25/13 - Operation Permit for Land Application of wastewater revised due to incorrect language included by Iowa DNR.
- (e) 2/25/13 - Issued Public Water Supply Operation Permit by Iowa Department of Natural Resources, required for systems which provide water for human consumption for at least 25 people at least 60 days during the year.
- (f) 4/2/13 - Iowa Department of Natural Resources inspected wastewater treatment system.
- (g) 4/23/13 - Provided requested environmental information to USDA Frontline Supervisor.
- (h) 4/29/13 - Issued Water Use Permit by Iowa Department of Natural Resources, required for facilities which withdraw at least 25,000 gallons of water in a 24-hour period from public waters.
- (i) 5/31/13 - Provided USDA Frontline Supervisor with copy of Operation Permit for Land Application of Wastewater.
- (j) 6/7/13 - Provided USDA Frontline Supervisor with letters from Iowa Department of Natural Resources which indicated that potable water supply system and wastewater treatment system are adequate for Facility's needs.

13. The following is a list of other tasks completed and milestones achieved relating to USDA and state requirements prior to commencing operations of the Facility.

- (a) 7/2/13 - Received conditional grant of Inspection from USDA district manager.
- (b) 7/9/13 - Filed application for license to operate an establishment under the Iowa Meat Inspection Act.

14. Our business has received significant support from various state, federal, and private agencies including the following grants, awards and loans:

- (a) \$28,500 in grants and approximately \$170,000 in tax credits from the Iowa Economic Development Authority;
- (b) Approximately \$29,500 won from business plan competitions at the University of Iowa;
- (c) \$34,000 loan from the Keokuk County Revolving Loan Fund;
- (d) \$1,124,000 SBA backed loan through a local credit union;
- (e) \$250,000 loan from the Central Iowa Power Cooperative Rural Economic Development Loan program; and
- (f) \$1,500,000 from 22 local investors.

15. RT has held numerous public meetings in the area in which its Plant will operate to ensure that the community is aware of its operations and to keep open lines of communication with its community and its stakeholders, including the following meetings:

- (a) 12/12/12 - Presented at Farm Bureau building in Sigourney;
- (b) 12/17/12 - Presented and answered questions at Keokuk County Board of Supervisors meeting;
- (c) 12/18/12 - Presented to community at Sigourney Area Development Corp offices;
- (d) 12/26/12 - Presented at Sigourney Bowling Alley for Kiwanis Club;
- (e) 1/16/13 - Sigourney City Council meeting to answer public questions;
- (f) 2/25/13 - Presented at Sigourney Pizza Ranch for the local Lions Club;
- (g) 2/25/13 - Questions and answers with Sigourney Future Farmers of America club;
- (h) 2/27/13 - Presented and answered questions at Keota Senior Center;
- (i) 4/10/13 - Presented at Kiwanis Meeting at Washington YMCA;
- (j) 4/26/13 - Presented at Iowa State Extension Office in Sigourney;
- (k) 4/29/13 - Sigourney Public Safety meeting to discuss RT Community Impact Statement;
- (l) 5/1/13 - Sigourney City Council meeting to approve Community Impact Statement;
- (m) 5/2/13 - Presented and answered questions at Sigourney Senior Center;
- (n) 5/3/13 - Job fair at Sigourney Public Library;
- (o) 5/13/13 - Presented to the American Association of Retired Persons at Keota Senior Center;
- (p) 6/9/13 - Local fire department visited Facility and reviewed emergency strategy; and
- (q) 7/17/13 - Sigourney City Council meeting to answer public questions.

16. The City of Sigourney has issued an Impact Statement, attached hereto as Exhibit 1, that the operations of our plant will not have a negative impact on the local environment.

17. RT is not currently operating or generating any revenue. This Action has caused us to remain idle pending its resolution. As a result, RT has no revenues and is spending approximately \$60,000 a month in overhead expenses. If this Action is not dismissed within a couple months, RT will exhaust its operating capital required to start operations and will not be able to open unless RT raises additional funding.

18. The Action has a direct and significant impact on RT's ability to operate the Facility and may cause the company to cease operations completely.

19. The failure of RT to commence operations will have a detrimental impact on the local economy in Sigourney Iowa, on our investors, the Founders who have personally guaranteed Company financing and our current and future employees.

20. Each of the Founders has personally guaranteed the SBA loan of \$1.124 million as well as certain other financial obligations of the Company. If RT is unable to commence operations in the short term, the Company may be unable to repay the Loan and the Founders may become personally liable for repayment of the Loan which would result in financial devastation of the Founders.

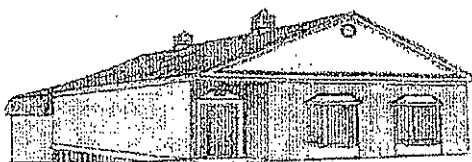
21. RT and each Founder has spent significant time and invested approximately \$2.9 million in Company funding over the past three (3) years to start the company and complete the federal and state regulatory requirements to commence operations. The disposition of this Action will have a direct and significant impact on RT and whether it will be forced to close and may lose up to \$2.9 million of investor and debt financing, as well as state and local government support used to pursue the Company's business plan.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct, based on my own personal knowledge and experience.

Executed this 19th day of July, 2013, in Sigourney, Iowa.



Keaton Walker
President of Responsible Transportation, L.L.C.



City of Sigourney

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IMPACT STATEMENT FOR RESPONSIBLE TRANSPORTATION LLC

Sigourney, Iowa

Responsible Transportation LLC intends to operate a horse processing facility located in Keokuk County, Iowa.

IMPACT STATEMENT: Keaton Walker, President and Chief Executive Officer, Responsible Transportation LLC was present at a City of Sigourney, Public Safety Committee meeting on Monday, April 29, 2013 at 6:00 p.m. Mr. Walker reviewed his company's operation and discussed their determination to be proactive regarding their environmental review. The Public Safety Committee members asked questions concerning Responsible Transportation's environmental safety process and concluded the facility is being maintained as it has been in the past and there should not be any changes to the existing environmental conditions or to have any significant environmental effects in the City of Sigourney. The Committee also understands, through information provided by Mr. Walker, that Responsible Transportation LLC will not directly or indirectly negatively affect the quality of the human environment, the public health or the public safety to the citizens of Sigourney, Iowa.

Randall D. Schultz, Mayor Pro-tem and
Public Safety Chairperson

Attest:

Angela K. Alderson, City Clerk

