

THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF NEW MEXICO

FRONT RANGE EQUINE RESCUE, THE	)	
HUMANE SOCIETY OF THE UNITED STATES,	)	CAUSE No. 1:13-cv-00639-MCA-RHS
MARIN HUMANE SOCIETY, HORSES FOR	)	
LIFE FOUNDATION, RETURN TO FREEDOM,	)	
ROMONA CORDOVA, KRYSTLE 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,	)	
	)	
Defendants.	)	

DECLARATION OF KEATON WALKER

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

1. I am over twenty-one (21) 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. In its Order on August 2, 2013 (the "Order"), the Court enjoined the Company from commercial horse slaughter operations until further order of the Court. (Order at page 7.)
4. In its Order this Court also recognized that the Company "will suffer significant economic harm if they are prohibited from operating during the pendency of the present litigation." (Order at page 6.)
5. Having recognized that our Company will suffer significant economic harm as a result of the Order, I submit this Declaration to require Plaintiffs to post an appropriate bond under Fed. R. Civ. P. 65(c) to compensate our Company for the damages the Company is likely to incur:

(a) during the 30-day period prior to the preliminary injunction hearing in September, 2013; and

(b) during the period subsequent to the preliminary injunction hearing in September, 2013 if the injunction is granted.

#### **BOND FOR 30-DAY INJUNCTION**

6. The Company was formed in 2010 and since that time has invested approximately Two Million Nine Hundred Thousand Dollars (\$2,900,000.00) to acquire a processing plant, renovate it and commence equine processing in Sigourney, Iowa.

7. The Company has complied with the extensive prerequisite federal and state regulatory requirements (see *Keaton Walker Declaration* dated July 19, 2013) and was prepared to commence equine processing operations on or about August 5, 2013.

8. As a result of the injunction enjoining the Company from operating until the hearing on the preliminary injunction in September, 2013 the Company estimates that it will suffer damages of a total of Two Hundred Fifty-Three Thousand Dollars (\$253,000.00) comprised as follows:

(a) Two Hundred Twenty-Four Thousand Dollars (\$224,000.00) equal to one month's projected net profit from inability to process horses as planned pursuant to Company's business plan (Two Hundred Eighty Dollars (\$280.00) net profit x Eight Hundred (800) head per month).

(b) The Company has made offers to twelve (12) employees, three (3) of whom have left prior employment to accept the jobs with the Company. The Company currently has no work at the Company for the employees to perform due to the Order. If the Company is unable to commence operations during this 30-day period it may lose these employees and incur additional costs of recruiting, interviewing and delays in hiring skilled employees which the Company estimates to be approximately Nine Thousand Dollars (\$9,000.00).

(c) As a result of the Injunction, our Company has been forced to explore alternative business plans for the plant and has incurred and will incur travel expense and consulting fees to convert the plant to beef processing estimated to be approximately Twenty Thousand Dollars (\$20,000.00).

#### **BOND FOR PRELIMINARY INJUNCTION**

9. If the Court grants the preliminary injunction requested by Plaintiffs in September, 2013, enjoining the Company from operating until the completion of the litigation the Company estimates that it will suffer damages (in addition to the damages of Two Hundred Fifty Three Thousand (\$253,000.00) listed above) of approximately Six Million Fifty-Two Thousand Dollars

(\$6,052,000.00) to Seven Million One Hundred Fifty-Six Thousand Dollars (\$7,156,000.00) composed of the following:

(a) The Company will be forced to convert the plant to alternative processing if the preliminary injunction is entered, most likely to processing of beef. The Company estimates the cost of engineering, construction, and equipment to convert to beef processing to be Three Hundred Seventy Thousand Dollars (\$370,000.00).

(b) During the conversion, estimated at two (2) months, the Company will not be able to process any product but will incur overhead expenses of approximately One Hundred Twenty Thousand Dollars (\$120,000.00).

(c) The Company will need to start over or amend many of the federal and state regulatory licenses and permits granted to our equine operations for an estimated cost of Five Thousand Dollars (\$5,000.00).

(d) The Company estimates that it will incur approximately Forty-Five Thousand Dollars (\$45,000.00) in legal fees in connection with the conversion to beef processing and seeking additional financing.

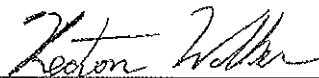
(e) Since beef processing is significantly less profitable than equine processing, I estimate that the Company will only earn approximately Fifty Dollars (\$50.00) net profit per head (for a loss of profits of approximately Two Hundred Thirty Dollars (\$230.00) per head x Eight Hundred (800) head per month) if we process beef instead of equine for a total loss of profits of Three Million Three Hundred Twelve Thousand Dollars (\$3,312,000.00) to Four Million Four Hundred Sixteen Thousand Dollars (\$4,416,000.00) based on an estimated eighteen (18) to twenty-four (24) months of litigation.

(f) Unlike the equine market, the beef market is very competitive and dominated by national and multi-national cattle processors such as Tyson and Cargill making it very difficult to compete as a small processor. There is an approximately fifty percent (50%) chance that converting to beef processing may be unsuccessful and that the additional costs and delays and uncertainty of demand for products may cause the Company to fail and lose nearly all of its investment of Two Million Nine Hundred Thousand Dollars (\$2,900,000.00), less the liquidation value of its assets estimated to be Seven Hundred Thousand Dollars (\$700,000.00).

(g) Each of the three (3) founding members of the Company has personally guaranteed the repayment of the Company's debt. Failure of the Company would further require them to repay the One Million Four Hundred Eight Thousand Dollars (\$1,408,000.00) of debt financing, plus interest, costs of collection and fees and expenses of the bank.

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 7th day of August, 2013, in Sigourney, Iowa.



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