

Columbia, S.C.'s Cherokee Foods Takes OSI Industries, Inc. to Court for Fraud and Failure to Process Chicken for School Lunches

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OSI Industries, Inc., one of the world's largest privately held food manufacturing companies based in Aurora, Ill., and its subsidiary, Carolina Culinary Foods, LP are scheduled for a jury trial against Cherokee Foods, Inc. in Lexington County, South Carolina the week of September 11, 2006. The lawsuit arises from a 2002 co-manufacturing agreement concerning the failure of OSI and Carolina Culinary to process and package fully-cooked chicken products for school lunch programs. Cherokee Foods was a minority-owned supplier who had contracted with schools across the country, including in Lexington County, South Carolina.

Cherokee Foods alleges that OSI's plant in West Columbia, South Carolina had severe operational problems, including poor management, a malfunctioning freezer, and excessive equipment downtime, and that the plant allowed more than two truckloads of Cherokee Foods' raw chicken to rot onsite. Cherokee Foods also alleges that the plant was unable to manufacture Cherokee Foods' chicken products on time or to specifications, leaving Cherokee Foods unable to meet its obligations to provide chicken lunches to the schools. Cherokee Foods claims that these failures put Cherokee Foods out of business. Cherokee Foods is seeking several million dollars in damages, including punitive damages.

Cherokee Food, Inc.'s lead trial counsel is **Richard L. Robbins**, Sutherland Asbill & Brennan LLP, Atlanta, Georgia.