



StopQIP's Thoughts on what is Happening with the QIP

March 2, 2021

Dear Dairyman,

Have you ever noticed how easy it is for people who are receiving billions of dollars telling you to relax and think of the greater good and just accept that you are going to pay another 5 years? Why is so hard for these welfare recipients to learn how to dairy like the rest of the industry has for the past 50 years? How do you justify dairymen going out of business every month so they can pay their fellow dairymen this welfare check? How long does it take to do a new business model or better yet, adopt the model that 2/3 of the industry already uses?

When COVID-19 hit, we had exactly one day to adjust our business model. You adjust, you take your hit, and you move forward, the American Way. But, more and more we see the American way as the Welfare way

The QIP and Quota are just another example of a Wall Street like scam that is eating up our industry. The QIP is not involved with Pricing or Pooling in the Federal Order, it is simply a Transfer of Wealth. We Pay \$13 million a month, and what do we get back in return? Nothing!!! Do you honestly think that this is legal? You cannot impose a tax on anyone without a direct or indirect benefit, without being in violation of the California Constitution.

The Founding Fathers of Quota put in an Equalization pooling plan to get rid of quota, and they put in a termination clause, without Compensation. It was not meant to go on forever, and after 45 years we are still paying the Dairymen who had Class one Contracts to join our pool, and they do not even have the Class one contracts today? This is the biggest scam probably in the history of the United States outside of the Federal Reserve System. This Quota bribe should have been gone years ago, and they still have the nerve to ask for 5 more years and \$930 million dollars more to go into their pockets along with the 8 billion dollars they have received from the beginning.

CDFA does not print money like the Federal Government does, no; they take it out of our checks and out of the mouths of our workers and our children's future. Save QIP and UDF predict that shutting down the QIP will wreak havoc on our industry. What do you mean will, it is happening in our industry now. Maybe they do not see it because it is not happening to them, but Look at the facts: In 2015 - 1496 dairies and look just 6 years later we have 992 dairies, that is 504 dairies gone. How many would still be here if they did not have to make those welfare payments to the Rich? And how many more dairymen will we lose in the next five years? All of this for a Wall Street like scam? We are better than this.

Look at our PRB Board, when we put up a motion to suspend the \$.38 tax for six months during the Coved pandemic, and they voted it down and then voted themselves a raise at the same time. Same board that knows that the Southern California quota holders are double dipping on their milk checks between the Federal Order and the old Californian Order that is still in place. RQA's and Location differential is how they are making an extra \$.40 to a \$1.00 a cwt. And we pay for it. And yet CDFA

doesn't do anything about it and the Board blocks any discussion about the legality of the QIP. In the last two years alone, we have transferred over \$300 million dollars to the quota holders and they do not even pay their attorney's bill. UDF had the nerve to ask us and our supporters to help them pay their attorneys bill after they came into court and helped stop us from getting to vote on the QIP. You know letting the dairymen decide. How many millions have the quota holders spent trying to stop us from having a vote on the QIP?

Here is greed at its finest moment; the quota holders who get the \$300 million ask the people who pay the \$300 million to help pay their attorneys who screwed us in the courts and with CDFA, and kept this illegal tax going. The arrogance and sense of entitlements of these quota holders is unbelievable?

Worse yet, most of the Save QIP dairymen have purchased quota in the last three years all the while knowing that the industry is trying to get rid of this Wall Street like scam; and these speculators are asking to be made whole on their speculation? Under oath, how many dairymen made declarations to Judge Aspinwall that they knew were not a hundred per cent true?

The one question that is asked all the time is how good people defend this Wall Street like scam that is helping to put over 502 dairies in the last 6 years out of business. I guess the same could be asked of the Southern slave owners before the Civil War? Remember after President Lincoln declared the Emancipation Proclamation that set all slaves free, and the Southern slave owners were so upset, and the great speakers of the South - Calhoun and Henry Clay all descended on Congress with great indignation, and said that you just couldn't take away slavery, it was part of the culture in was ingrained and they wouldn't know how to do business without it, and there business plans do not call for paying a fair wage? They would go broke competing with the Free states, and they that they paid good money for those slaves and wanted to at least be compensated for the slaves they had purchased. And how about the audacity of the slave owners who purchased slaves during the war to eliminate slavery (Sound Familiar) had the nerve to ask for compensation for the slaves they just bought, and we all know what Abraham Lincoln told them .?!*! **/. Does this story bring up any similarities to the economic disadvantage 2/3 of our industry face at the hands of these quota holders who have continued this scam of taking our money for the past 50 years? So, just remember look back in the 1800's where there were good respectable people, Judges, politicians', bureaucrats and church going people who participated in that economic travesty called slavery, and we have the same type of thing going on here now. Blinded by the money and they cannot see what Quota really represents. Denying us our right to vote says it all.

Everybody including the Save QIP and UDF and StopQIP and CDFA and the Attorney General's office and all of the dairymen know that we did not follow the regulatory process, we did not turn it into the APA, it is not a pooling Plan, but an Assessment or tax, and it does not belong in either Chapter 3 or Chapter 3.5, we all know that those should have been terminated with the arrival of the Federal Order, and we all know that the vote on the QIP was under false pretenses.

Let us vote on it and be done with this issue. A Do Over is fair and square, that is the goal we should be reaching for, that was all StopQIP was ever asking for? You will never have harmony on anything that is not done fairly, it just will not happen.

We have stated all along that we do not like this Sunset and paying close to a billion dollars to the Favored 300, but please, **Vote yes for the Sunset**. We are still committed to eliminating this illegal tax on our industry today, not tomorrow, not next week, but today. This is just one step closer.

Vote yes for the Sunset.

Craig Gordon StopQIP Dairy TAX .com

Stop QIP offers these Proposals

Option #1 Put the QIP in legally.

Go back to 2017 when the QIP was recommended to Secretary Ross, and start from there, and do it right by calling a hearing this March, let both sides make their argument for the Record, and then publish the list of eligible dairymen who can vote on the CDFA website on the 1st of April, then give the industry 2 weeks to challenge a dairy on the list or who on the list can sign for that dairy, and check the addresses, so they are correct, and then set the last Saturday in April, at a hall big enough to hold 992 dairyman or three or four halls across the state, and have the dairymen show up with their driver's license and pick up the ballot and vote yes or no and it would be counted by 5 o'clock by chosen representatives of both sides of the issue and it is over? It does not get any easier or fairer than that. If the QIP is voted in as a stand-alone quota program with 65% of the Dairymen in favor, then it is over and legal. Let the dairyman run the referendum and count the votes. This is the same proposal that was agreed upon by the Attorney General's office and CDFA before Save QIP and UDF stepped in and the deal was off. It is a simple solution and anyone who does not want to it the right way, then that is on their conscience not ours. Those in favor of not paying attorneys anymore and doing it the right way stand with us!!! Let's do it.

Option # 2

The right thing to do, UDF and Save QIP, is to turn in your quota and end this illegal Transfer of Wealth.

Let's do it.

Option # 3

Submit Petition to the PRB Board called the Reversal for their recommendation or non-recommendation to the Secretary and then hold the hearing in thirty days, followed by a Referendum for 60 days, and with a 65% threshold needed to put in the Reversal. It would amend the QIP to have the Quota holders pay \$1.70 a cwt. for all of the quota they own, into the fund, and then have the fund pay all Grade A shipper \$.38 CWT for the next ten years and then the plan would terminate on its own.

Let's do it.

Stop QIP's thoughts on the Sunset Referendum procedures

Most of the procedures listed by CDFA as reported by MPC look fine, but with the past history of CDFA and the QIP, there is not enough safeguards for this referendum to be anywhere close to being a fair and a transparent referendum.

This referendum has followed two years' worth of revelations of CDFA ignoring statutory law and enforcing an underground regulation in the taking of millions of dollars without APA approval, and CDFA's turning away two petitions without legal standing, at least according to CDFA, and the failure to honor its agreement to do the QIP over again the right way, the dismissal of a petition on the grounds of not having enough valid signatures which we know is not the truth and then withholding the petition and not showing us which petitions were invalid, and the appointment of 13 out of 15 PRB board members who are quota holders which is a violation of #62719 of Chapter 3, an numerous promises not kept by CDFA in regards to the QIP. We trusted CDFA once, twice, three, four and a fifth time, and got burned every time, we are not going for a sixth time. We had two dairymen on our first petition call to see if there petition was valid and were told they were not and they were absolutely the right persons who signed the petition, so we did not pursue anymore signatures to see if they were valid, because we knew we were being lied to. The outright defiance of the law by CDFA is a shocking truth that we do not know how to respond, so it could very well be that they change their behavior and run a honest good referendum or you most likely will get a result, that they do not have to verify? Our Reversal and the 3.5 termination petition that we are going to turn in; we are going to pay an independent third-party company who does elections for a living and they are unbelievably transparent with hundreds of checks and balances to insure a honest and fair election. We will then take the results to the Secretary of State and ask that it be validated. We want to go on record that we feel that Steven Donaldson is a fair and honest man at CDFA and is probably handling the referendum and he would run an honest and fair referendum, but unfortunately his boss is Secretary Ross, and her boss is Governor Gavin Newsom, and that is a problem. Here are some issues that need some answers to?

- 1) The dairymen list that will be used to send out the ballots? Where is it? How can we see if the list is a good list? What if we wanted to contest a dairy ownership or signature that is required?
- 2) Who is going to check on return to sender ballots and what is the procedure of getting the correct address and sending them back out again?
- 3) If they will not tell us what the ballot is going to say at least tell us what the actual legal language that we are voting on. So there is no misunderstanding like the last QIP ballot.
- 4) You covered which signatures are valid by putting them on the ballot which is a good thing and you also gave a remedy for correcting any wrong signatures that CDFA might have on record.
- 5) Who is verifying that the list that has not been approved matches with the ballots printed and verified that those ballots were actually put into the mail, on the same day? What is the return address printed on the ballots and who will be monitoring those return to senders, and who will be in charge of contacting those dairymen for correct addresses and how many times will the mail be checked, and how long do you have to send them back out, and who is verifying that all of those ballots are sent back out in the mail and when? Who is opening up the mail and counting the ballots? Is that going to be a CDFA employee at his house or office and how is the mail transported to that location? What type of security measures will there be for the storing of the ballots? Only one person to verify the election results or will there be representatives from all of the interested parties to participate in the counting of the ballots

In conclusion, it is hard for us to understand anytime you have people who refuse transparency. If you don't like transparency, we have to figure you are doing something that is not right. Until you can earn our trust again, we want transparency.

Craig Gordon

StopQIPDairyTax.com