



1400 Independence Ave. SW
Room 2648 - South, STOP 0268
Washington, D.C. 20250

Settlement Agreement

THIS SETTLEMENT AGREEMENT is entered into by the United States Department of Agriculture (USDA) Agricultural Marketing Service (AMS), and Xylitol USA, Inc.

USDA, AMS and Xylitol USA, Inc. have decided to compromise and settle the issues among them related to alleged violations of the Organic Foods Production Act of 1990 (7 U.S.C. §§ 6501 et seq.) (OFPA) and the USDA organic regulations (7 CFR Section 205).

Accordingly, the parties agree to the following:

1. The Secretary of Agriculture has jurisdiction in this matter.
2. USDA, AMS agrees not to issue a formal Administrator's Decision charging Xylitol USA, Inc. with alleged violations of the OFPA and the USDA organic regulations for any actions disclosed by the investigation which gave rise to this agreement.
3. Xylitol USA, Inc. admits to the following:
 - A. Accredited Certifying Agent Colorado Department of Agriculture issued a July 13, 2015 Combined Notice of Noncompliance and Proposed Suspension to Xylitol USA, Inc. in Aurora, Colorado. Xylitol USA, Inc. was given the opportunity to appeal the Notice, and this Settlement addresses this Notice.
 - B. Xylitol USA, Inc. has been given the opportunity to consult with legal counsel regarding this Settlement, is executing this agreement of its own free will, and understands and accepts the terms of this Settlement.
 - C. No alteration or variation of the terms of this Settlement shall be valid unless made in writing and signed by both parties.
 - D. Xylitol USA, Inc. withdraws its appeal and waives further appeal rights in this matter. Failure to comply with the settlement agreement shall automatically void paragraph 2 above. If Xylitol USA, Inc. breaks the settlement terms, USDA, AMS may thereafter pursue an administrative hearing process.
4. Xylitol USA, Inc. agrees to the following actions:
 - A. For each annual on-site inspection, Xylitol USA, Inc. agrees to schedule its annual on-site inspections with its certifying agent when an authorized representative who is knowledgeable about the organic operation is available, at a time when facilities and activities can be observed that demonstrates the operation's compliance or capability to

comply with the USDA organic regulations. Xylitol USA, Inc. agrees it will reschedule any annual on-site inspection if the knowledgeable representative will be unavailable.

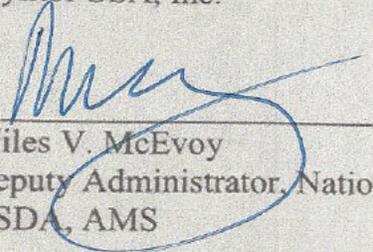
- B. Within 30 days of signing this settlement, Xylitol USA, Inc. agrees to submit a complete plan of corrective action to its certifying agent addressing the noncompliant color display of the USDA seal. The plan must include any plans Xylitol USA, Inc. has to exhaust existing label stock, including the process of how existing labels will be modified for compliance; the projected timeframe for label use up; and the date revised, compliant labels approved by the certifying agent will be in use.

This agreement will become effective upon the appellant's signature below.

(b) (6)

Matthew D. Willer
Vice President
Xylitol USA, Inc.

Date: 11/17/2015



Miles V. McEvoy
Deputy Administrator, National Organic Program
USDA, AMS

Date: 11/25/2015