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# Coffee Exporter Hit With \$31M Judgment Over Missed Shipments

By **Carolina Bolado**

Law360, Miami (May 7, 2025, 7:55 PM EDT) -- A Florida federal judge said Wednesday she would enter a roughly \$31 million judgment for a "green" coffee retailer that said it prepaid for coffee shipments that were never received from a Nicaraguan green coffee bean exporter.

At a hearing in Miami, U.S. District Judge Jacqueline Becerra told attorneys she would be issuing a formal bench verdict in a couple of days but wanted to let the parties know she had found in favor of plaintiff Neumann Gruppe USA Inc. on all counts.

"Once I heard the evidence, I was quite comfortable that that was the right resolution," Judge Becerra said.

She said she would be ordering \$19 million in compensatory damages for Neumann Gruppe to pay for coffee shipments that were supposed to be delivered by CLR Roasters. She also said approximately \$12 million in prejudgment interest would be added to that total.

The judge said she had considered granting summary judgment but opted to move to a bench trial, held in January, because of arguments made by the defendant and guarantor H&H Coffee Investments LLC, that the plaintiff's record-keeping system could not be trusted. However, the judge said there was no evidence of that.

"I kept waiting for some evidence from an expert or somebody that would really call into question the accounting records of the plaintiff," Judge Becerra said. "That never came. I was surprised it didn't come. I heard argument about it, but that's not evidence."

The judge also expressed concern about the testimony of H&H owner Alain Piedra Hernandez, which she said was "astounding in its lack of credibility."

"Almost nothing that came out of that man's mouth could be believed," the judge said. "His answers were inconsistent, he was impeached, I don't know how many times. It is not OK to come into a courthouse and under oath testify in the manner he did."

Judge Becerra noted that defense counsel did not argue in their papers that the coffee deliveries were made, as Piedra had on the stand, but said she did not think it was right for him to take the stand and say that either.

"I think you have an obligation to sit him down and say, 'I can't have you testify to this,'" the judge said. "That was a bridge way too far that you should not have helped him cross."

Judge Becerra said that although she considered whether the testimony was sanctionable, she opted against it but urged the attorneys to talk to their client about it.

The dispute stems from an agreement between CLR and Rothfos Corp., which later became part of Neumann Gruppe, to deliver Nicaraguan green coffee beans during the 2021-2022 coffee season, according to a pretrial stipulation. Between September 2021 and March 2022, Rothfos made advances to CLR totaling \$21.7 million for green coffee beans, according to the stipulation.

But CLR delivered only a fraction of the promised beans and defaulted on its obligation to Rothfos.

Now, Neumann Gruppe is seeking to hold H&H, which guaranteed CLR's obligation, liable for the missing shipments.

H&H argued the guaranty is unenforceable and that it only agreed to sign the guaranty and mortgage for the warehouse on the condition that they would never be recorded and that the amount guaranteed would be capped at \$1 million.

CLR operated until about May 2023, when it defaulted on a loan and the company's secured creditor foreclosed on and sold most of its assets as part of a liquidation.

In 2022, CLR sued H&H in state court in Miami, claiming the company and its owner owed more than \$13 million after breaching agreements that included a Nicaraguan joint land investment and the purchase of trademark rights to a coffee brand in exchange for company stock, which never happened. The parties settled that dispute late last year.

Neumann Gruppe is represented by Jason Hernandez, Matthew Graham and Ryan Wolis of Stearns Weaver Miller Weissler Alhadeff Sitterson PA.

H&H is represented by Alberto Manrara, Ryan Hasting, Oscar Gomez and Jose Rodriguez-Lage of EPGD Business Law.

The case is Rothfos Corp. v. H&H Coffee Investments LLC, case number 1:22-cv-24000, in the U.S. District Court for the Southern District of Florida.

--Editing by Drashti Mehta.