

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF WISCONSIN
GREEN BAY DIVISION**

TISSUE TECHNOLOGY, LLC, PARTNERS
CONCEPTS DEVELOPMENT, INC.,
OCONTO FALLS TISSUE, INC. and
TISSUE PRODUCTS TECHNOLOGY CORP.,

Plaintiffs,

v.

Case No. 14CV1203

TAK INVESTMENTS, LLC, and
SHARAD TAK,

Defendants.

PLAINTIFFS' FINAL PRETRIAL REPORT

NOW COME the plaintiffs, Tissue Technology, LLC, Partners Concepts Development, Inc., Oconto Falls Tissue, Inc. and Tissue Products Technology Corp., and hereby submit the following as their final pretrial report in reference to this action:

SUMMARY OF FACTS

The plaintiff companies seek enforcement of the Notes and Agreements they made with defendant Tak Investments, LLC surrounding the sale of the Oconto Falls tissue mill from those plaintiff companies to various companies owned by Sharad Tak. The parties had been working on a sale agreement for quite some time, going back to 2005, which was finally consummated at a closing with transfer of all assets of the mill on April 16, 2007. Leading up to that time, there were several agreements which anticipated a level of funding so as to satisfy debts of the OFTI Group and ensure "clean title" to those assets upon sale.

The course of dealings between the parties clearly established that there was a substantial shortfall in funding which was to be made up by 4 Promissory Notes that are now the subject of this action. In exchange for the transfer of the assets of OFTI Group, which are all companies controlled by Ronald Van Den Heuvel, Defendant Company, Tak Investments, LLC, and individual defendant, Sharad Tak, provided the Van Den Heuvel entities three (3) different avenues of income in order to facilitate the transaction and satisfy the obligation. The parties entered into a Sales & Marketing Agreement which provided a small percentage of gross revenues to Tissue Technology, LLC. In addition, four (4) Notes were executed at closing called the "Seller Notes" with the combined value of \$30,589,000.00. Those Notes are payable to the Oconto Falls Tissue, Inc. and were subordinated to the debt of Goldman Sachs, which has now been paid in full and has released the Tak companies from liability therefore. Also executed at the time of the closing were the Notes that are the subject of this lawsuit, termed the "Investment Notes". These three recovery avenues for the plaintiff are all discussed together since none of the Tak companies have paid any of them and all three are currently in litigation, with the Sales & Marketing Agreement and the Seller Notes cases pending in Oconto County, Wisconsin.

At the time of the closing, the Final Business Terms Agreement was also executed by and between the parties hereto and serve as some additional complications to this lawsuit. The Final Business Terms Agreement provided that the Investment Notes could be satisfied in two ways. First, the Final Business Terms Agreement provided that if the plaintiffs deemed the Notes canceled, they would receive a 27% interest in Tak Investments, LLC. Demand was made for that 27% and the defendant's denied the plaintiffs that avenue of recovery. The second avenue

was cancelation of the Investment Notes if Tak Investments, LLC and associated companies would enter into a construction contract with the Spirit Construction, Inc., a Van Den Heuvel family company, in the amount of \$315 million. No such contract was ever consummated.

All of the above having been said, that leaves the parties hereto with simply the Notes which currently provide for outstanding principal and interest in the amount of \$37,028,423.00. The Notes also contemplate payment of attorney's fees. Plaintiff's respectfully request judgment in that amount and an award of attorney's fees.

Finally, in defense of the plaintiff's allegations, Sharad Tak and Tak Investments, LLC take the position that the Notes and Final Business Terms Agreement make no sense, that they were issued favorably toward Tak and his companies in that he has testified that the Notes were meant to be vehicles so that his company could borrow against them. His explanations make no sense such that the only credible interpretation of the contract is that proffered by the plaintiffs such that the Notes must be enforced.

STATEMENT OF THE ISSUES

1. Are the Promissory Notes issued validly executed?
Short Answer: Yes.
2. Was consideration given for the Notes?
Short answer: Yes.
3. How much is currently due under the Notes?
Short answer: \$37,028,423.00 plus attorney's fees.

4. Election of Remedies. Note, the plaintiffs seek a money judgment and hereby elect that as their requested remedy herein.

WITNESSES EXPECTED TO TESTIFY

1. Ronald Van Den Heuvel
2303 West Dauphin Road
DePere, WI 54115

2. Sharad Tak
3101 South Ocean Drive
Hollywood, FL
3. Steven Van Den Heuvel
3131 Market Street
Green Bay, WI 54304
4. David Van Den Heuvel
3131 Market Street
Green Bay, WI 54304
5. Robert Cera
c/o Greenwood State Bank
123 North Main Street
Lake Mills, WI 53551
6. William Bain
3131 Market Street
Green Bay, WI 54304
7. Records Custodian
Associated Bank
330 East Kilbourn Avenue
Suite 200
Milwaukee, WI 53202
8. Edward Kolasinski
6760 Kawula Lane
Sobieski, WI 54171

Note: witnesses may be culled depending upon admissibility of documents.

BACKGROUND OF EXPERTS

Edward Kolasinski did some simple math to come up with the current damages amount. He is a Certified Public Accountant who was worked both as a Chief Financial Officer, Chief Operating Officer and consultant. His curriculum vitae is attached hereto.

LIST OF EXHIBITS

See attached.

DESIGNATION OF DEPOSITION OR PORTIONS OF TRANSCRIPTS

The plaintiffs will offer the deposition testimony of Sharad Tak at pages 74-76; 81, 89 and 91, if necessary. Otherwise, all transcripts will be used in the normal course of cross-examination, refresh recollection, etc.

TIME TO TRY CASE

The plaintiffs anticipate it will take two to three days to try this matter.

FINDINGS OF FACT

The proposed Findings of Fact are submitted herewith.

Dated this 13th day of September, 2017.

TERSCHAN, STEINLE, HODAN
& GANZER, LTD.
ATTORNEYS FOR PLAINTIFFS,

BY: /s/ MICHAEL J. GANZER
MICHAEL J. GANZER
STATE BAR NO. 1005631

P. O. ADDRESS:

309 NORTH WATER STREET
SUITE 215
MILWAUKEE, WI 53202
414-258-1010