

STATE OF WISCONSIN

CIRCUIT COURT
BRANCH 2

BROWN COUNTY

MARCO ARAUJO, M.D.
2595 Development Drive, Ste. 150
Green Bay, WI 54311,

CLIFFTON EQUITIES, INC.
7200 Hutchison, Ste. 100
Montreal, QU H3N 1Z2, Canada

Case No. 15 CV 769

and

WISCONSIN ECONOMIC DEVELOPMENT
CORPORATION
201 W. Washington Avenue
Madison, WI 53703

Plaintiffs,

v.

GREEN BOX NA GREEN BAY, LLC
2077A Lawrence Drive
De Pere, WI 54115

Defendant.

FILED
MAY 20 2015

CLERK OF COURTS
BROWN COUNTY - WI

COMPLAINT

Plaintiffs, by their respective attorneys, for their causes of action against the Defendant
allege as follows:

PARTIES

1. Plaintiff Marco Araujo, M.D. ("Araujo") is an adult resident of the State of Wisconsin, with an address of 2595 Development Drive, Suite 150, Green Bay, Wisconsin 54311.

2. Plaintiff, Clifton Equities, Inc. ("Clifton") is, at all times relevant to this Complaint, a foreign corporation with a business address of 7200 Hutchison, Suite 100, Montreal, QU H3N 1Z2, Canada.

3. Plaintiff, Wisconsin Economic Development Corporation ("WEDC") is, at all times relevant to this Complaint, a Wisconsin corporation with a business address of 201 W. Washington Ave., Madison Wisconsin 53703.

4. Green Box NA Green Bay, LLC ("Green Box") is a Wisconsin limited liability company with its principal place of business address of 2077A Lawrence Drive, De Pere, Wisconsin 54115. Upon information and belief, Green Box's registered agent is Ronald H. Van Den Heuvel ("Van Den Heuvel"), who also controls Green Box and is Green Box's officer and director. Upon information and belief, Defendant Green Box is engaged in the business of recycling paper products into new products.

JURISDICTION AND VENUE

5. This Court has jurisdiction over Green Box pursuant to Wis. Stat. § 801.05(1)(c) because Green Box is a Wisconsin limited liability companies.

6. Venue is appropriate in this Court pursuant to Wis. Stat. § 801.50(2)(c), because Green Box does substantial business in Brown County, Wisconsin.

FACTS

7. Plaintiff Araujo has a judgment in the sum of \$813,735.34 against Green Box docketed on or about October 23, 2014 in Brown County Case No. 13-CV-463.

8. Plaintiff WEDC is a creditor of Green Box by virtue of a Loan Agreement dated September 30, 2011 and amended on September 11, 2014. The current amount due and owing by Green Box is in default and not less than \$1,159,264.12. Green Box further owes WEDC

approximately \$100,000 pursuant to a grant given to Green Box which is in default and has been accelerated.

9. Plaintiff Clifton is owed the sum of \$3,758,679.94 from Green Box pursuant to an Amended and Restated Promissory Note dated June 19, 2014 (the "Clifton Promissory Note"). Green Box has failed to make payments on the Clifton Promissory Note when due and therefore, Clifton has accelerated the full indebtedness.

10. Upon information and belief, certain collateral was not located, being operated, or possessed by Green Box per the terms of the parties' loan documents.

11. Green Box has pledged various assets to Plaintiffs to support its obligations to Plaintiffs. A complete listing of the various security interests, assignments and pledges of collateral to Green Box by Plaintiffs as of May 13, 2015 is attached as **Exhibit 1** herein (the "Collateral"). Upon information and belief, since May 13, 2015, Defendant has paid all or a portion of one or more of the obligations itemized therein and/or incurred additional obligations.

12. Green Box is in default in its obligations to Plaintiffs.

GROUND AND CLAIM FOR CHAPTER 128 RECEIVERSHIP

13. Plaintiffs incorporate and restate herein the allegations contained in Paragraphs 1 through 12.

14. On information and belief, Green Box and Van Den Heuvel have failed to make payments when due, have failed to pay payroll taxes and remit funds withheld from employees, and have caused to have federal and state tax liens placed on Plaintiffs' collateral in violation of their loan agreements.

15. The federal tax lien placed on Plaintiffs' collateral is Number 2699293, filed April 2, 2015 for \$111,994.83. A true and correct copy of the federal tax lien is attached as **Exhibit 2**.

16. The state tax lien for delinquent unemployment taxes placed on Plaintiffs' collateral is case number 2014UC000478, filed December 1, 2014, for \$26,889.50. A true and correct copy of the state tax lien is attached as Exhibit 3.

17. For 2013 and 2014, Green Box is delinquent on the real estate taxes on real estate owned by Green Box located at 2107 American Boulevard, De Pere, Wisconsin.

18. Waste is being committed by Green Box.

19. By its actions, Green Box has demonstrated an inability to currently pay obligations due to Plaintiffs and others.

20. On information and belief, Green Box's representative also testified that the company has no bank accounts other than a payroll account that money is placed into on a bi-weekly basis to pay the employees. Green Box does not maintain an operating account used to make necessary payments to creditors.

21. On information and belief, Van Den Heuvel has stated that he has 4500 employees of his various entities throughout the country but has provided no evidence of such individuals. A site visit by a creditor showed a facility with few employees.

22. On information and belief, Van Den Heuvel also offered to pledge collateral of Green Box to one or more current or proposed creditors, despite the fact that the Collateral has already been pledged to another creditors and not only did not disclose that the Collateral was already pledged, but actively misrepresented that it was not.

23. On information and belief, Van Den Heuvel has also pledged receivables belonging to other of his entities as collateral to Plaintiffs even though if the receivable is valid, the funds from the receivable are owed to a separate entity. Van Den Huevel's casual commingling of assets and collateral among his many entities give rise to a real concern that he will dispose of the Plaintiffs' Collateral improperly or that the Collateral may not exist.

24. Green Box and/or Van Den Heuvel have provided creditors with false financial statements showing inflated assets, primarily related to the alleged intellectual property rights in certain technology relating to Green Box's recycling processes.

25. On information and belief, Green Box has engaged in numerous misrepresentations attempting to defraud its creditors.

26. Plaintiff Araujo has obtained a judgment against Van Den Heuvel and Green Box. However, an execution for personal property directed against Green Box has been returned unsatisfied.

27. On information and belief, Van Den Heuvel appears to have other entities that he has a pattern and practice of changing the entities' names and starting up new entities to escape obligations to creditors. Van Den Heuvel has been involved as a registered agent for 40 separate entities in Wisconsin, some of these entities have changed their names and some have been dissolved.

28. It also appears that Green Box has numerous locations where Plaintiffs' collateral could be located: 2077A Lawrence Drive, De Pere, Wisconsin 54115; 2077B Lawrence Drive, De Pere, Wisconsin 54115; 2107 American Boulevard De Pere, Wisconsin; and 500 Fortune Avenue De Pere, Wisconsin 54115. On information and belief, some of these locations are not operating and may simply be storing collateral previously purchased by Green Box with financing provided by Plaintiffs.

29. Upon information and belief, Green Box is insolvent or in imminent danger of insolvency as defined in §§ 128.001(1) and 128.08(1)(b), Wis. Stats.

30. Pursuant to §§ 128.08(1) and 128.08(2), Wis. Stats., the Court may sequester the property of a debtor and appoint a receiver therefor, either (1) when an execution against a judgment debtor is returned unsatisfied in whole or in part; or (2) when a corporation has been

dissolved or is insolvent or is in imminent danger of insolvency or has forfeited its corporate rights.

31. By this action, Plaintiffs seek the immediate appointment of Michael S. Polsky, Esq., Two Plaza East, 330 East Kilbourn Avenue, Suite 1085, Milwaukee, Wisconsin 53202 ("Receiver") as Receiver of Green Box pursuant to Chapter 128 of the Wisconsin Statutes (the "Receivership"), for the benefit of all of Green Box's creditors and requests that the Receiver have control over all property of Green Box, both real and personal, tangible and intangible, of whatever description and location, including, without limitation, the Collateral, all of Green Box's cash on hand or on deposit with a financial institution, all accounts receivable, claims, demands and causes of action, liquidated and unliquidated, together with all collateral or security therefore, all machinery, equipment, fixtures, furnishings, vehicles, supplies, inventory, contract rights, general intangibles, patents, trademarks, copyrights, trade names, licenses, intellectual property, books and records, customer lists and any and all other assets owned by Green Box (collectively, the "Property"), all of the Property to be held, administered and disposed of by Receiver in trust and upon the terms and conditions of the Court's Order, for the benefit of all of the creditors of Green Box, the Receiver having all of the usual powers vested in him pursuant to Chapter 128 of the Wisconsin Statutes, and the laws applicable thereto, including, but not limited to:

a. Authority to take possession of the Property and notify all creditors of Green Box of the Receivership and thereafter to liquidate the Property upon notice, free and clear of all liens, claims and encumbrances, with liens, claims and encumbrances attaching to the proceeds of the sale, through public or private proceedings in a commercially reasonable manner, subject to the prior consent of Plaintiffs, to the extent it is subject to their security interests, and subject to the prior approval of this Court;

b. Authority to commence or continue litigation or other proceedings regarding any claims or causes of action now existing in favor of Green Box or which arise during the course of the Receivership and inure to the benefit of the estate;

c. Authority to enforce, collect, settle, compromise, sell or dispose of any accounts receivable, rents receivable, claims, demands and causes of action existing in favor of Green Box, as the case may be, and to settle and compromise any and all claims against Green Box, as the case may be;

d. Authority to employ such help and incur such reasonable expenses as he may deem necessary to properly carry out the Receivership and to employ the services of attorneys, consultants, accountants, property managers, brokers, investment bankers, appraisers, liquidators and other professionals and independent contractors when it appears to him necessary and advisable to do so;

e. Authority to retain appropriate brokers/consultants to market the Property;
and

f. Authority to execute, acknowledge and deliver all agreements, leases, contracts, bills of sale, assignments, releases, deeds, conveyances, transfers and other documents necessary and proper to carry out the Receivership.

32. As further support of its request for the immediate appointment of a Receiver, the Affidavits of Brittany S. Ogden, Jonathan T. Smies and Jake Kuester, have been filed contemporaneously herewith in support of Plaintiffs' *Ex Parte* Motion for Temporary Injunction/Temporary Restraining Order and Motion for Appointment of Receiver and are incorporated herein by reference.

33. If the request for appointment of a receiver is denied, then in the alternative, Plaintiffs, seek immediate relief, including, but not limited to, (a) a money judgment against

Green Box for all Obligations owed to the Plaintiffs, that have not otherwise been reduced to judgment, and (b) replevin and sale of all Collateral, with all proceeds applied to the obligations due Plaintiffs.

WHEREFORE, Plaintiffs request an Order of the Court:

a. Issuing an *ex parte* Injunction pursuant to Wis. Stats. §§ 813.02(1) and 813.025(2), restraining Green Box, its officers, directors and agents from disposing of or removing any assets pending a hearing on this matter; and

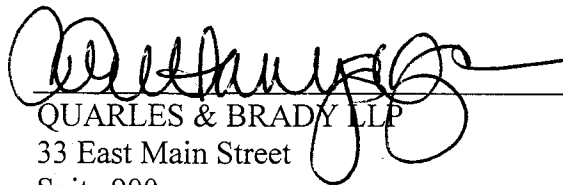
b. Appointing Michael S. Polsky, Esq. as Receiver of all the assets of Defendant and for the administration of those assets in accordance with Wis. Stat. § 128.08(1)(b);

c. Entering judgment in favor of the Plaintiffs and against Green Box for the amounts owed on the obligations to the Plaintiffs (not otherwise reduced already to judgment) and for the right to immediate possession and sale of the Collateral if a Receiver is not appointed as requested herein; and

d. Granting other relief to which it may be entitled in equity or at law.

Dated this 15th day of May, 2015.

Valerie L. Bailey-Rihn
State Bar No. 1000728
Brittany S. Ogden
State Bar No. 1035853

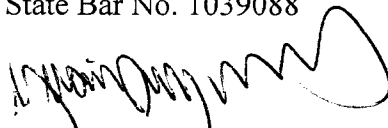


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Attorneys for Clifton Equities, Inc.

Dated this 15th day of May, 2015.

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