
DANIEL J. PLATKOWSKI,

Plaintiff,

v.

Case No. 16-cv-1137

HOWARD BEDFORD, RECLAMATION
TECHNOLOGY SYSTEMS, LLC f/k/a
ENVIRONMENTAL ADVANCED
RECLAMATION TECHNOLOGY HQ, LLC,
STONEHILL CONVERTING, LLC, GLEN
ARBOR, L.L.C., QUOTIENT PARTNERS and
HORICON BANK,

Money Judgment - 30301
Other - Debtor Actions - 30304

Defendants.

**DEFENDANT QUOTIENT PARTNERS ANSWER TO COMPLAINT,
AFFIRMATIVE DEFENSES AND COUNTERCLAIMS AGAINST PLAINTIFF**

Defendant Quotient Partners, LLC ("Quotient") by and through its attorneys, Reinhart Boerner Van Deuren s.c., answers plaintiff's complaint by admitting, denying and asserting as follows:

PARTIES

1. Plaintiff **DANIEL J. PLATKOWSKI** ("Platkowski") is a Wisconsin resident with his principal residence located at 4700 Creek Valley Lane, Oneida, Wisconsin 54155.

ANSWER:

Quotient denies knowledge and information sufficient to form a belief as to the truth of the allegations in paragraph 1 of Plaintiff's complaint.

2. Defendant **RECLAMATION TECHNOLOGY SYSTEMS, LLC f/k/a ENVIRONMENTAL ADVANCED RECLAMATION TECHNOLOGY HQ, LLC ("RTS")** is, and was at all times relevant to this Complaint, a Wisconsin limited liability corporation with



a business address of 2077A Lawrence Drive, De Pere, Wisconsin. Upon information and belief, RTS's registered agent is Glen Arbor, LLC, 2107 American Blvd., De Pere, Wisconsin 54115.

ANSWER:

Quotient denies knowledge and information sufficient to form a belief as to the truth of the allegations in paragraph 2 of Plaintiff's complaint.

3. Defendant **STONEHILL CONVERTING, LLC** ("Stonehill") is, and was at all times relevant to this Complaint, a Wisconsin limited liability corporation with a business address of 2107 American Blvd., De Pere, Wisconsin. Upon information and belief, Stonehill's registered agent is National Registered Agents, Inc., 8020 Excelsior Drive, Suite 200, Madison, Wisconsin 53717.

ANSWER:

Quotient denies knowledge and information sufficient to form a belief as to the truth of the allegations in paragraph 3 of Plaintiff's complaint.

4. Defendant **GLEN ARBOR, L.L.C.** ("Glen Arbor") is, and was at all times relevant to this Complaint, a foreign limited liability corporation with a business address of 55 East Erie Street, Suite 2304, Chicago, Illinois 60611. Upon information and belief, Glen Arbor's registered agent is Stephen A. Smith, 55 East Erie Street, Suite 2304, Chicago, Illinois 60611.

ANSWER:

Quotient denies knowledge and information sufficient to form a belief as to the truth of the allegations in paragraph 4 of Plaintiff's complaint.

5. Defendant **QUOTIENT PARTNERS, LLC** ("Quotient") is, at all times relevant to this Complaint, a foreign limited liability corporation with a business address of

One Harvard Court, White Plains, New York. Upon information and belief, Quotient's registered agent is Registered Agents Legal Services, LLC, 1013 Centre Road, Suite 403S, Wilmington, Delaware 19805.

ANSWER:

Admits.

6. Plaintiff **HORICON BANK** is a lending institution organized, among other things, to lend money on notes, secured or unsecured, and other purposes as provided by law, with offices located at 326 E. Lake Street, Horicon, Wisconsin 53032.

ANSWER:

Quotient denies knowledge and information sufficient to form a belief as to the truth of the allegations in paragraph 6 of Plaintiff's complaint.

FACTUAL ALLEGATIONS COMMON TO ALL CLAIMS FOR RELIEF

7. Prior to December 1, 2010, Platkowski was the sole owner of the commercial equipment (collectively referred to as the "Bretting Machines") specifically identified as:

C.G. Bretting Machine, Serial No. 564001; and

C.G. Bretting Machine, Serial No. 5561-99F.

ANSWER:

Quotient denies knowledge and information sufficient to form a belief as to the truth of the allegations in paragraph 7 of Plaintiff's complaint.

8. On December 1, 2010, Platkowski sold the Bretting Machines to Bedford pursuant to the terms of an Equipment Purchase Agreement (the "Purchase Agreement"). The total purchase price that Bedford agreed to pay for the Bretting Machines was Three Million Two Hundred Thousand and 00/100 Dollars (\$3,200,000.00).

ANSWER:

Quotient denies knowledge and information sufficient to form a belief as to the truth of the allegations in paragraph 8 of Plaintiff's complaint.

9. The value of the Bretting Machines as of December 1, 2010 was \$3,200,000.00.

ANSWER:

Quotient denies knowledge and information sufficient to form a belief as to the truth of the allegations in paragraph 9 of Plaintiff's complaint.

10. Bedford and Platkowski signed the Purchase Agreement in Green Bay, Wisconsin.

ANSWER:

Quotient denies knowledge and information sufficient to form a belief as to the truth of the allegations in paragraph 10 of Plaintiff's complaint.

11. The Purchase Agreement required Bedford to make regular payments to Platkowski over a five (5) year period.

ANSWER:

Quotient denies knowledge and information sufficient to form a belief as to the truth of the allegations in paragraph 11 of Plaintiff's complaint.

12. Bedford failed to make any payments to Platkowski under the Purchase Agreement.

ANSWER:

Quotient denies knowledge and information sufficient to form a belief as to the truth of the allegations in paragraph 12 of Plaintiff's complaint.

13. Platkowski reserved a security interest in the Bretting Machines to secure payment of the amount due from Bedford under the Purchase Agreement, and Platkowski perfected his security interest by filing UCC-1 Financing Statements (the "Financing Statements") in Wisconsin and Illinois on September 12, 2011 naming Bedford as the debtor and identifying the Bretting Machines.

ANSWER:

Quotient denies knowledge and information sufficient to form a belief as to the truth of the allegations in paragraph 13 of Plaintiff's complaint.

14. Platkowski's security interest constitutes a purchase-money security interest pursuant to Wis. Stat. §409.1 03, as the security interest secured a purchase-money obligation owed by Bedford to Platkowski.

ANSWER:

Quotient denies knowledge and information sufficient to form a belief as to the truth of the allegations in paragraph 14 of Plaintiff's complaint.

15. In January of 2011 (which was within weeks of Bedford's purchase of the Bretting Machines but before Platkowski filed the Financing Statements), Bedford entered into an Equipment Lease Agreement (the "Stonehill Lease") in which Bedford agreed to lease the Bretting Machines to Stonehill through January of 2015. The Equipment Lease required aggregate lease payments by Stonehill to Bedford of Forty-Eight Dollars (\$48.00) (\$1.00 per month).

ANSWER:

Quotient denies knowledge and information sufficient to form a belief as to the truth of the allegations in paragraph 15 of Plaintiff's complaint.

16. The Stonehill Lease further provided that, at the end of the term, Bedford would sell the Bretting Machines to Stonehill in exchange for an additional payment One Dollar (\$1.00).

ANSWER:

Quotient denies knowledge and information sufficient to form a belief as to the truth of the allegations in paragraph 16 of Plaintiff's complaint.

17. During the term of the Stonehill Lease, Platkowski discovered the existence of the Stonehill Lease and objected to Bedford's sale of the Bretting Machines due to Platkowski's security interest.

ANSWER:

Quotient denies knowledge and information sufficient to form a belief as to the truth of the allegations in paragraph 17 of Plaintiff's complaint.

18. Platkowski stated his objections, in writing, to both Bedford and Stonehill.

ANSWER:

Quotient denies knowledge and information sufficient to form a belief as to the truth of the allegations in paragraph 18 of Plaintiff's complaint.

19. Upon information and belief, Bedford sold the Bretting Machines to Stonehill at the end of the Stonehill Lease (in or about January of 2015) despite the objections by Platkowski.

ANSWER:

Quotient denies knowledge and information sufficient to form a belief as to the truth of the allegations in paragraph 19 of Plaintiff's complaint.

20. Platkowski did not consent to the transfer of the Bretting Machines from Bedford to Stonehill, nor did Platkowski release his security interest in the Bretting Machines.

ANSWER:

Quotient denies knowledge and information sufficient to form a belief as to the truth of the allegations in paragraph 20 of Plaintiff's complaint.

21. Upon information and belief, Stonehill subsequently transferred the Bretting Machines to RTS (the "RTS Transfer") without the knowledge or consent of Platkowski.

ANSWER:

Quotient denies knowledge and information sufficient to form a belief as to the truth of the allegations in paragraph 21 of Plaintiff's complaint.

22. Immediately after Platkowski learned about the RTS Transfer, Platkowski filed a UCC-1 against RTS to perfect its continuing security interest in the Bretting Machines in possession of RTS. That filing was made on August 31, 2015.

ANSWER:

Quotient denies knowledge and information sufficient to form a belief as to the truth of the allegations in paragraph 22 of Plaintiff's complaint.

23. Bedford had actual knowledge of Platkowski's security interest in the Bretting Machines at the time of the Stonehill Lease.

ANSWER:

Quotient denies knowledge and information sufficient to form a belief as to the truth of the allegations in paragraph 23 of Plaintiff's complaint.

24. Stonehill had actual knowledge of Platkowski's continuing interest in the Bretting Machines at the time of the Stonehill Lease and the RTS Transfer.

ANSWER:

Quotient denies knowledge and information sufficient to form a belief as to the truth of the allegations in paragraph 24 of Plaintiff's complaint.

25. RTS had actual knowledge of Platkowski's continuing security interest in the Bretting Machines at the time of the RTS Transfer.

ANSWER:

Quotient denies knowledge and information sufficient to form a belief as to the truth of the allegations in paragraph 25 of Plaintiff's complaint.

26. Following the RTS Transfer, RTS purported to grant third parties a priority security interest in the Bretting Machines.

ANSWER:

Quotient denies knowledge and information sufficient to form a belief as to the truth of the allegations in paragraph 26 of Plaintiff's complaint.

27. Horicon Bank may claim an interest in the Bretting Machines by virtue of a UCC- 1 filing originally filed on September 18, 2009. Horicon Bank's security interest is junior to Platkowski by virtue of Wis. Stat. §409.324(1).

ANSWER:

Quotient denies knowledge and information sufficient to form a belief as to the truth of the allegations in paragraph 27 of Plaintiff's complaint.

28. Quotient may claim a security interest in the Bretting Machines by virtue of a UCC Financing Statement filed on June 30, 2014. Quotient's security interest is junior to Platkowski by virtue of Wis. Stat. §409.324(1).

ANSWER:

Quotient admits that it filed a UCC Financing Statement on June 30, 2014; admits that it claims a security interest in the Bretting Machines; but denies knowledge and information sufficient to form a belief as to the truth of the remaining allegations in paragraph 28 of Plaintiff's complaint.

29. Glen Arbor may claim an interest in the Bretting Machines by virtue of UCC Financing Statements filed on August 31, 2015 and September 1, 2015. Glen Arbor's interest is junior and subordinate to the interest of Platkowski.

ANSWER:

Quotient denies knowledge and information sufficient to form a belief as to the truth of the allegations in paragraph 29 of Plaintiff's complaint.

30. Bedford, RTS, Stonehill and Glen Arbor own and operate a series of inter-related business operations and, since December 1, 2010, have entered into a series of financial transactions with one another in addition to the Stonehill Lease and the RTS Transfer.

ANSWER:

Quotient denies knowledge and information sufficient to form a belief as to the truth of the allegations in paragraph 30 of Plaintiff's complaint.

**CLAIM FOR RELIEF I
FRAUDULENT TRANSFER
(Bedford, Stonehill and RTS)**

31. Platkowski realleges paragraphs 1 - 30 as if fully set forth herein.

ANSWER:

Quotient realleges and incorporates by reference its answers to paragraphs 1 through 30 above.

32. Bedford, Stonehill and RTS transferred the Bretting Machines with the actual intent to defraud Platkowski by transferring ownership of the Bretting Machines without the knowledge or consent of Platkowski.

ANSWER:

Paragraph 32 does not appear to contain any allegations that must be admitted or denied by Quotient. However, to the extent paragraph 32 contains such allegations, they are denied.

33. Bedford, Stonehill and RTS attempted to conceal the transfers from Platkowski.

ANSWER:

Paragraph 33 does not appear to contain any allegations that must be admitted or denied by Quotient. However, to the extent paragraph 33 contains such allegations, they are denied.

34. Prior to the transfers, Platkowski had threatened to file an action to replevin the Bretting Machines.

ANSWER:

Paragraph 34 does not appear to contain any allegations that must be admitted or denied by Quotient. However, to the extent paragraph 34 contains such allegations, they are denied.

35. Bedford did not receive reasonably equivalent value for the Bretting Machines with respect to the Stonehill Lease.

ANSWER:

Paragraph 35 does not appear to contain any allegations that must be admitted or denied by Quotient. However, to the extent paragraph 35 contains such allegations, they are denied.

36. Stonehill did not receive reasonably equivalent value for the Bretting Machines with respect to its transfer of the Bretting Machines to RTS.

ANSWER:

Paragraph 36 does not appear to contain any allegations that must be admitted or denied by Quotient. However, to the extent paragraph 36 contains such allegations, they are denied.

37. The fraudulent transfers by Bedford, Stonehill and RTS have caused damage to Platkowski in an amount to be determined by the Court.

ANSWER:

Paragraph 37 does not appear to contain any allegations that must be admitted or denied by Quotient. However, to the extent paragraph 37 contains such allegations, they are denied.

**CLAIM FOR RELIEF II
REPLEVIN
(RTS)**

38. Platkowski realleges paragraphs 1-37 as if fully set forth herein.

ANSWER:

Quotient realleges and incorporates by reference its answers to paragraphs 1 through 37 above.

39. Pursuant to the Purchase Agreement, upon default by Bedford, Platkowski is entitled to the immediate possession of the Bretting Machines.

ANSWER:

Paragraph 39 does not appear to contain any allegations that must be admitted or denied by Quotient. However, to the extent paragraph 39 contains such allegations, they are denied.

40. Upon information and belief, the Bretting Machines are in the possession of either RTS or Stonehill, both of which had actual knowledge of Platkowski's security interest at all times relevant to this Complaint.

ANSWER:

Paragraph 40 does not appear to contain any allegations that must be admitted or denied by Quotient. However, to the extent paragraph 40 contains such allegations, they are denied.

41. The value of the Bretting Machines is unknown, but it is likely not sufficient to satisfy the Purchase Agreement.

ANSWER:

Paragraph 41 does not appear to contain any allegations that must be admitted or denied by Quotient. However, to the extent paragraph 41 contains such allegations, they are denied.

42. No proceedings have been had at law or otherwise for the recovery of the sums due under the Purchase Agreement.

ANSWER:

Paragraph 42 does not appear to contain any allegations that must be admitted or denied by Quotient. However, to the extent paragraph 42 contains such allegations, they are denied.

43. Platkowski is still the lawful owner and holder of the Purchase Agreement which has not been sold or assigned.

ANSWER:

Paragraph 43 does not appear to contain any allegations that must be admitted or denied by Quotient. However, to the extent paragraph 43 contains such allegations, they are denied.

44. Continued possession and use by RTS will diminish the value of the Bretting Machines and substantially impair the value of Platkowski's security interest in the Bretting Machines.

ANSWER:

Paragraph 44 does not appear to contain any allegations that must be admitted or denied by Quotient. However, to the extent paragraph 44 contains such allegations, they are denied.

**CLAIM FOR BELIEF III
BREACH OF CONTRACT
(Bedford)**

45. Platkowski realleges paragraphs 1 - 44 as if fully set forth herein.

ANSWER:

Quotient realleges and incorporates by reference its answers to paragraphs 1 through 44 above.

46. Under the terms of the Purchase Agreement, Bedford promised to make timely payments to Platkowski.

ANSWER:

Paragraph 46 does not appear to contain any allegations that must be admitted or denied by Quotient. However, to the extent paragraph 46 contains such allegations, they are denied.

47. Bedford has failed to make timely payments to Platkowski, despite demand by Platkowski.

ANSWER:

Paragraph 47 does not appear to contain any allegations that must be admitted or denied by Quotient. However, to the extent paragraph 47 contains such allegations, they are denied.

48. Bedford is in breach of his contractual obligations to Platkowski.

ANSWER:

Paragraph 48 does not appear to contain any allegations that must be admitted or denied by Quotient. However, to the extent paragraph 48 contains such allegations, they are denied.

49. Platkowski seeks a money judgment against Bedford for the principal amount due under the Purchase Agreement, plus all accrued fees, late charges, attorney fees and other reimbursable expenses allowed by the Purchase Agreement.

ANSWER:

Paragraph 49 does not appear to contain any allegations that must be admitted or denied by Quotient. However, to the extent paragraph 49 contains such allegations, they are denied.

**CLAIM FOR BELIEF IV
CONVERSION
(Bedford, Stonehill, and RTS)**

50. Platkowski realleges paragraphs 1 - 49 as if fully set forth herein.

ANSWER:

Quotient realleges and incorporates by reference its answers to paragraphs 1 through 49 above.

51. Bedford, Stonehill and RTS each intentionally took possession of the Bretting Machines, knowing the Bretting Machines were subject to Platkowski's security interest, with the intent to deprive Platkowski of his security interest.

ANSWER:

Paragraph 51 does not appear to contain any allegations that must be admitted or denied by Quotient. However, to the extent paragraph 51 contains such allegations, they are denied.

52. Each of the transfers were made without the consent of Platkowski and without the lawful ability to sell the Bretting Machines free and clear of Platkowski's interest.

ANSWER:

Paragraph 52 does not appear to contain any allegations that must be admitted or denied by Quotient. However, to the extent paragraph 52 contains such allegations, they are denied.

53. The actions by Bedford, Stonehill and RTS seriously interfered with Platkowski's security interest.

ANSWER:

Paragraph 53 does not appear to contain any allegations that must be admitted or denied by Quotient. However, to the extent paragraph 53 contains such allegations, they are denied.

54. Bedford, Stonehill and RTS have caused financial damage to Platkowski in an amount to be determined by the Court.

ANSWER:

Paragraph 54 does not appear to contain any allegations that must be admitted or denied by Quotient. However, to the extent paragraph 54 contains such allegations, they are denied.

**CLAIM FOR RELIEF V
CONSPIRACY
(Bedford, Stonehill and RTS)**

55. Platkowski realleges paragraphs 1 -54 as if fully set forth herein.

ANSWER:

Quotient realleges and incorporates by reference its answers to paragraphs 1 through 54 above.

56. Bedford, Stonehill and RTS have caused financial damage to Platkowski in an amount to be determined by the Court.

ANSWER:

Paragraph 56 does not appear to contain any allegations that must be admitted or denied by Quotient. However, to the extent paragraph 56 contains such allegations, they are denied.

57. Bedford, Stonehill and RTS knowingly formed and participated in a plan to transfer the Bretting Machines without regard to Platkowski's security interest.

ANSWER:

Paragraph 57 does not appear to contain any allegations that must be admitted or denied by Quotient. However, to the extent paragraph 57 contains such allegations, they are denied.

**CLAIM FOR RELIEF VI
TORTIOUS INTERFERENCE WITH CONTRACT
(Stonehill and RTS)**

58. Platkowski realleges paragraphs 1 - 57 as if fully set forth herein.

ANSWER:

Quotient realleges and incorporates by reference its answers to paragraphs 1 through 57 above.

59. Platkowski and Bedford were parties to the Purchase Agreement.

ANSWER:

Paragraph 59 does not appear to contain any allegations that must be admitted or denied by Quotient. However, to the extent paragraph 59 contains such allegations, they are denied.

60. Stonehill and RTS had knowledge of the existence of the Purchase Agreement and the Financing Statements at the time of the RTS Transfer.

ANSWER:

Paragraph 60 does not appear to contain any allegations that must be admitted or denied by Quotient. However, to the extent paragraph 60 contains such allegations, they are denied.

61. Stonehill and RTS interfered with Platkowski's contractual rights under the Purchase Agreement and Financing Statements by entering into the RTS Transfer, and then subsequently pledging the Bretting Machines to other lenders.

ANSWER:

Paragraph 61 does not appear to contain any allegations that must be admitted or denied by Quotient. However, to the extent paragraph 61 contains such allegations, they are denied.

62. Stonehill and RTS acted intentionally in an effort to deprive Platkowski of his security interest in the Bretting Machines.

ANSWER:

Paragraph 62 does not appear to contain any allegations that must be admitted or denied by Quotient. However, to the extent paragraph 62 contains such allegations, they are denied.

63. A causal connection exists between the acts of Stonehill and RTS and any loss that Platkowski may suffer due to a loss of his priority security interest in the Bretting Machines.

ANSWER:

Paragraph 63 does not appear to contain any allegations that must be admitted or denied by Quotient. However, to the extent paragraph 63 contains such allegations, they are denied.

64. Neither Stonehill nor RTS had any authority or privilege to interfere with the Purchase Agreement.

ANSWER:

Paragraph 64 does not appear to contain any allegations that must be admitted or denied by Quotient. However, to the extent paragraph 64 contains such allegations, they are denied.

**CLAIM FOR RELIEF VII
PROPERTY DAMAGE OR LOSS CAUSED BY CRIME
(Bedford, Stonehill, and RTS)**

65. Platkowski realleges paragraphs 1 - 64 as if fully set forth herein.

ANSWER:

Quotient realleges and incorporates by reference its answers to paragraphs 1 through 64 above.

66. Bedford, Stonehill, and RTS transferred the Bretting Machines with the intent to deprive Platkowski of his superior security interest and to permanently deprive Platkowski of his ability to replevin the Bretting Machines, all in violation of Wis. Stat. §943.20(1).

ANSWER:

Paragraph 66 does not appear to contain any allegations that must be admitted or denied by Quotient. However, to the extent paragraph 66 contains such allegations, they are denied.

67. Bedford, Stonehill, and RTS acted without the consent of Platkowski.

ANSWER:

Paragraph 67 does not appear to contain any allegations that must be admitted or denied by Quotient. However, to the extent paragraph 67 contains such allegations, they are denied.

68. Pursuant to Wis. Stat. §895.446, Platkowski is entitled to recover his actual damages, all costs of his investigation and litigation, and exemplary damages of not more than 3 times the actual damages awarded by this Court.

ANSWER:

Paragraph 68 does not appear to contain any allegations that must be admitted or denied by Quotient. However, to the extent paragraph 68 contains such allegations, they are denied.

AFFIRMATIVE DEFENSES

1. Plaintiff's complaint fails to state a cause of action against Quotient.
2. Quotient has a perfected security interest in the Bretting Machines.

WHEREFORE, Quotient requests the following relief:

1. A finding that Quotient has a perfected security interest in the Bretting Machines.
2. An award of costs and reasonable fees to Quotient; and
3. Such further relief as is just and necessary.

Dated this 12th day of October, 2016.

Reinhart Boerner Van Deuren s.c.
1000 North Water Street, Suite 1700
Milwaukee, WI 53202
Telephone: 414-298-1000
Facsimile: 414-298-8097

Mailing Address:
P.O. Box 2965
Milwaukee, WI 53201-2965

Patrick J. Hodan
WI State Bar No. 1001233
phodan@reinhartlaw.com
Jeunesse Rutledge
WI State Bar No. 1094042
jrutledge@reinhartlaw.com

BY: 
Attorneys for Defendant Quotient Partners, LLC