

DANIEL J. PLATKOWSKI
4700 Creek Valley Lane
Oneida, WI 54155

Plaintiff,

vs.

Case No. 16-CV-1137
Class Codes: 30301 and 30304

HOWARD BEDFORD
181 Waukegan Road, Suite 100
Northfield, Ill 60093-2700

RECLAMATION TECHNOLOGY SYSTEMS, LLC
f/k/a ENVIRONMENTAL ADVANCED RECLAMATION TECHNOLOGY HQ, LLC
2077A Lawrence Drive
De Pere, WI 54115

STONEHILL CONVERTING, LLC
2107 American Blvd.
De Pere, WI 54115

GLEN ARBOR, L.L.C.
55 East Erie Street, Suite 2304
Chicago, IL 60611

QUOTIENT PARTNERS
One Harvard Court
White Plains, NY 10605

HORICON BANK
326 E. Lake Street
Horicon, WI 53032

GLENARBOR EQUIPMENT, LLC
55 East Erie Street, Suite 2304
Chicago, IL 60611

TISSUE TECHNOLOGY, LLC
2077A Lawrence Drive
De Pere, WI 54115

RON VAN DEN HEUVEL
2303 Lost Dauphin Road
De Pere, WI 54115

Defendants.

FILED
OCT 28 2016

CLERK OF COURTS
BROWN COUNTY, WI

Plaintiff Daniel J. Platkowski ("Platkowski"), by and through his attorneys, Law Firm of Conway, Olejniczak & Jerry. S.C., alleges the following:

PARTIES

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

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.

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.

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.

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.

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.

7. Defendant **GLENARBOR EQUIPMENT LLC** (“GlenArbor Equipment”) 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.

8. Defendant **TISSUE TECHNOLOGY, LLC** (“Tissue Technology”) 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 54115. Upon information and belief, Tissue Technology’s registered agent is Ronald H. Van Den Heuvel, 2077A Lawrence Drive, De Pere, Wisconsin 54115.

9. Defendant **RONALD H. VAN DEN HEUVEL** (“Van Den Heuvel”) is a Wisconsin resident with his principal residence located at 2303 Lost Dauphin Road, De Pere, Wisconsin 54115.

FACTUAL ALLEGATIONS COMMON TO ALL CLAIMS FOR RELIEF

10. 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

11. 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).

12. The value of the Bretting Machines as of December 1, 2010 was \$3,200,000.00.
13. Bedford and Platkowski signed the Purchase Agreement in Green Bay, Wisconsin.
14. The Purchase Agreement required Bedford to make regular payments to Platkowski over a five (5) year period.
15. Bedford failed to make any payments to Platkowski under the Purchase Agreement.
16. 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.
17. Platkowski's security interest constitutes a purchase-money security interest pursuant to Wis. Stat. §409.103, as the security interest secured a purchase-money obligation owed by Bedford to Platkowski.
18. 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).
19. 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).

20. 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.

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

22. 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.

23. 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.

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

25. 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.

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

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

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

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

30. 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).

31. 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).

32. 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.

33. Upon information and belief, RTS subsequently transferred the Bretting Machines to GlenArbor Equipment on or about November 3, 2015 (the "GlenArbor Equipment Transfer").

34. Upon information and belief, GlenArbor Equipment paid no consideration in exchange for the Bretting Machines other than a purported offset of money due to Glen Arbor and/or GlenArbor Equipment by RTS and other related entities.

35. Bedford, RTS, Stonehill, Glen Arbor and GlenArbor Equipment 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, the RTS Transfer and the GlenArbor Equipment Transfer.

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

36. Platkowski realleges paragraphs 1 – 35 as if fully set forth herein.

37. Bedford, Stonehill, RTS and GlenArbor Equipment 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.

38. Bedford, Stonehill, RTS and GlenArbor Equipment attempted to conceal the transfers from Platkowski.

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

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

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

42. RTS did not receive reasonably equivalent value for the Bretting Machines with respect to its transfer of the Bretting Machines to GlenArbor Equipment.

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

CLAIM FOR RELIEF II
REPLEVIN
(GlenArbor Equipment)

44. Platkowski realleges paragraphs 1 – 43 as if fully set forth herein.

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

46. Upon information and belief, the Bretting Machines are in the physical possession of GlenArbor Equipment, which had actual knowledge of Platkowski's security interest at all times relevant to this Complaint.

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

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

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

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

CLAIM FOR RELIEF III
BREACH OF CONTRACT
(Bedford)

51. Platkowski realleges paragraphs 1 – 50 as if fully set forth herein.
52. Under the terms of the Purchase Agreement, Bedford promised to make timely payments to Platkowski.
53. Bedford has failed to make timely payments to Platkowski, despite demand by Platkowski.
54. Bedford is in breach of his contractual obligations to Platkowski.
55. 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.

CLAIM FOR RELIEF IV
CONVERSION
(Bedford, Stonehill, RTS and GlenArbor Equipment)

56. Platkowski realleges paragraphs 1 – 55 as if fully set forth herein.
57. Bedford, Stonehill, RTS and GlenArbor Equipment 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.
58. 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.
59. The actions by Bedford, Stonehill, RTS and GlenArbor Equipment seriously interfered with Platkowski's security interest.
60. Bedford, Stonehill, RTS and GlenArbor Equipment have caused financial damage to Platkowski in an amount to be determined by the Court.

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

61. Platkowski realleges paragraphs 1 – 60 as if fully set forth herein.

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

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

CLAIM FOR RELIEF VI
TORTIOUS INTERFERENCE WITH CONTRACT
(Stonehill, RTS and GlenArbor Equipment)

64. Platkowski realleges paragraphs 1 – 63 as if fully set forth herein.

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

66. Stonehill, RTS and GlenArbor Equipment had knowledge of the existence of the Purchase Agreement and the Financing Statements at the time of the RTS Transfer and at the time of the GlenArbor Equipment Transfer.

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

68. Stonehill, RTS and GlenArbor Equipment acted intentionally in an effort to deprive Platkowski of his security interest in the Bretting Machines.

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

70. Neither Stonehill, RTS nor GlenArbor Equipment had any authority or privilege to interfere with the Purchase Agreement.

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

71. Platkowski realleges paragraphs 1 – 70 as if fully set forth herein.

72. Bedford, Stonehill, RTS and GlenArbor Equipment 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).

73. Bedford, Stonehill, RTS and GlenArbor Equipment acted without the consent of Platkowski.

74. 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.

CLAIM FOR RELIEF VIII
BREACH OF CONTRACT
(Tissue Technology and Van Den Heuvel)

75. Platkowski realleges paragraphs 1 – 74 as if fully set forth herein.

76. Tissue Technology and Van Den Heuvel each executed a Guaranty in February of 2009 in which they agreed to pay Platkowski for any loss suffered from the sale of the Bretting Machines.

77. To the extent that Platkowski suffers any financial loss from his replevin and liquidation of the Bretting Machines, Tissue Technology and Van Den Heuvel are contractually obligated to reimburse Platkowski for some or all of that loss in an amount to be determined by the Court.

WHEREFORE, Platkowski respectfully requests the following relief:

A. An adjudication that the transfers described herein were in violation of Wisconsin Chapter 242 and for an award avoiding the transfers or, in the alternative, granting Platkowski a money judgment against Bedford, Stonehill, RTS, GlenArbor Equipment, Tissue Technology and Van Den Heuvel for the value of the Bretting Machines.

B. For a judgment of replevin granting the right to recover the Bretting Machines;

C. For an immediate 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;

D. For an immediate money judgment against Bedford, Stonehill, RTS, GlenArbor Equipment, Tissue Technology and Van Den Heuvel for all losses caused by Bedford's, Stonehill's and RTS' conversion of the Bretting Machines and their conspiracy to transfer the Bretting Machines without regard to Platkowski's security interest;

E. For a finding that Stonehill, RTS and GlenArbor Equipment intentionally interfered with the contractual relationship between Platkowski and Bedford, causing damage to Platkowski;

F. For a finding that Bedford, Stonehill, RTS and GlenArbor Equipment violated Wis. Stat. §943.20(1), and that Platkowski is entitled to all damages available under Wis. Stat. §895.446; and

G. For such other and further relief as the Court deems just and equitable.

Dated this 28th day of October, 2016.

LAW FIRM OF CONWAY, OLEJNICZAK & JERRY, S.C.
Attorneys for Plaintiff

By: _____

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