

FILED
05-24-2023
Clerk of Circuit Court
Brown County, WI
2023CV000652
Honorable Kendall M.
Kelley
Branch 4

STATE OF WISCONSIN CIRCUIT COURT BROWN COUNTY

GREAT LAKES TISSUE GROUP, LLC
4730 S. Fort Apache Rd., Suite 300
Las Vegas, Nevada 89147

Plaintiff,

v.

Case No.:

Case Codes: 30303, 30304

PATRIOT ADVANCED ENVIRONMENTAL
TECHNOLOGIES, LLC
c/o 4 R Planet, LLC, Registered Agent
500 Fortune Avenue
De Pere, Wisconsin 54115

and

4 R PLANET, LLC
c/o 4Tenvironmental, LLC, Registered Agent
500 Fortune Avenue
De Pere, Wisconsin 54115

Defendants.

SUMMONS

THE STATE OF WISCONSIN, to each person named above as a Defendant:

You are hereby notified that the plaintiff named above has filed a lawsuit or other legal action against you. The complaint, which is attached, states the nature and basis of the legal action.

Within forty-five (45) days of receiving this summons, you must respond with a written answer, as that term is used in Chapter 802 of the Wisconsin Statutes, to the complaint. The Court may reject or disregard an answer that does not follow the requirements of the statutes. The answer must be sent or delivered to the court, whose address is 100 S. Jefferson Street, Green Bay, Wisconsin 54301, and to Plaintiff's attorney, von Briesen & Roper, s.c., Attn: Christopher T. Koehnke, whose address is 411 East Wisconsin Avenue, Suite 1000, Milwaukee, Wisconsin 53202. You may have an attorney help or represent you.

If you do not provide a proper answer within forty-five (45) days, the Court may grant judgment against you for the award of money or other legal action requested in the complaint, and you may lose your right to object to anything that is or may be incorrect in the complaint. A judgment may be enforced as provided by law. A judgment awarding money may become a lien against any real estate you own now or in the future, and may also be enforced by garnishment or seizure of property.

Dated this 24th day of May, 2023.

von BRIESEN & ROPER, S.C.

By: *Electronically Signed by Christopher T. Koehnke*

Christopher T. Koehnke, SBN 1076031

Mark E. Schmidt, SBN 1052450

von BRIESEN & ROPER, s.c.

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Defendants.

COMPLAINT

Great Lakes Tissue Group, LLC ("GLTG"), by and through its attorneys, von Briesen & Roper, s.c., for its complaint against the above-named defendants, states as follows:

Parties

1. GLTG is a Nevada limited liability company with its principal place of business at 4730 S. Fort Apache Rd., Suite 300, Las Vegas, Nevada 89147.

2. Patriot Advanced Environmental Technologies, LLC (“PAET”) is a Wisconsin limited liability company with its principal place of business located at 500 Fortune Avenue, De Pere, Wisconsin 54115.

3. 4 R Planet, LLC is (“4R”) Wisconsin limited liability company with a principal place of business located at 500 Fortune Avenue, De Pere, Wisconsin 54115.

Jurisdiction and Venue

4. Jurisdiction over the Defendants is proper according to Wisconsin Statutes section 801.05(1)(c).

5. Venue is proper in Brown County according to Wisconsin Statutes section 801.50(2)(b) and (c)

CLAIM I

Default Under the Security Agreement and Promissory Note

6. GLTG repeats and re-alleges Paragraphs 1 through 5 as if fully set forth herein.

7. GLTG is the previous owner of Great Lakes Tissue Company (“GLTC”), which operated a paper mill in Cheboygan, MI.

8. GLTG entered into a Merger Agreement dated January 12, 2023 with PAET. Said Agreement involved a 100 percent stock purchase of GLTC. PAET is the current owner of GLTC.

9. Pursuant to the Merger Agreement, at the closing of the Merger Agreement, without limitation:

- a. PAET paid GLTG \$1,500,000.00 to obtain an option to purchase a warehouse separately located from GLTC’s paper mill.
- b. PAET executed and delivered to GLTG a Promissory Note for \$15,000,000.00.

- c. PAET executed and delivered a Collateral Pledge and Security Agreement granting GLTG a security interest in equipment to secure payment of the \$15,000,000.00 Promissory Note.
 - d. GLTG entered into a new PAET Operating Agreement as a member of PAET.
 - e. GLTC's stock and the certificate representing that stock was placed in escrow, pending payment to GLTG of the \$15,000,000.00.
 - f. PAET agreed to assume ownership and control of GLTC on an as-is, where-is basis without any representations or warranties.
10. Events of Default have occurred under the Promissory Note because:
- a. PAET has violated terms of the Merger Agreement, which triggers a direct violation of the Promissory Note;
 - b. Upon information and belief, including based upon notices received from creditors regarding non-payment of amounts due and owing, GLTC is insolvent since the merger, which violates the Promissory Note; and
 - c. Upon information and belief, PAET has caused GLTC to violate the Lease Agreements for the paper mill and the warehouse, which is a default under the Promissory Note.
11. PAET is also in default under the other agreements related to the Merger Agreement, which constitutes a default under the Promissory Note, and about which PAET has had notice for 90 days without cure. Without limitation, PAET has breached the Merger Agreement because:

- a. Pursuant to Section 6.14(g) of the PAET Operating Agreement, PAET is required to provide its members with quarterly financial statements, and none have been provided since January 12, 2023;
 - b. Section 7.3 of the PAET Operating Agreement permits members access to PAET's records upon written request. GLTG made written request for access to PAET's records on January 27, 2023, February 1, 2023, February 17, 2023, and February 21, 2023. PAET has not responded to these written requests and has not provided GLTG with access to any of its records.
12. The unpaid amount of the Promissory Note, as of May 24, 2023 is \$15,000,000.00, plus additional interest, and costs of collection, including reasonable attorneys' fees and costs.

CLAIM II

Replevin of PAET Collateral

13. GLTG repeats and re-alleges Paragraphs 1 through 12 as if fully set forth herein.
14. Pursuant to the Security Agreement, Wis. Stats. 409.609, Wis. Stats. 409.610, Wis. Stats. Ch. 810 and other applicable law, GLTG is entitled to take possession of the equipment collateral, dispose of it, and apply the proceeds against the amounts owed to it under the Promissory Note. A list describing some, but not necessarily all, of the equipment is attached as **Exhibit A**.
15. PAET, 4R, or some other person(s) or entity(ies) under PAET's, 4R's or one of their officers', members', or other agent's direction or control currently possesses or controls the equipment collateral and should be required to deliver it to GLTG or to such other person as GLTG may direct.

16. Upon information and belief, all or some portion of the equipment collateral is being stored at 500 Fortune Avenue, De Pere, Wisconsin 54115, which is the same address as the office location for PAET's Registered Agent, 4 R.

CLAIM III

Conversion

17. GLTG repeats and re-alleges Paragraphs 1 through 16 as if fully set forth herein.

18. GLTG is entitled to possession of the equipment collateral as a result of its security interest in the equipment collateral and PAET's default.

19. PAET is in default of its obligations under the Promissory Note, which are secured by the equipment collateral and, without limitation, Wis. Stat. § 409.609 and Section 2.02 of the Security Agreement entitle GLTG to take possession of the equipment collateral.

20. On or about May 10, 2023, GLTG made written demand to PAET and 4R for the turnover and delivery of possession of the equipment collateral and control of it to GLTG.

21. PAET and 4R have refused to deliver possession or control of the equipment collateral to GLTG.

22. PAET or 4R controls possession of the equipment collateral without GLTG's consent and without lawful authority.

23. PAET's or 4R's actions and non-actions with respect to the equipment collateral seriously interfere with GLTG's right to possess and control the equipment collateral and have thereby damaged GLTG in an amount to be proven at trial, including punitive damages.

WHEREFORE, Great Lakes Tissue Group demands judgment as follows:

A. On CLAIM I (Breach of the Security Agreement and Promissory Note)

1. Judgment in favor of GLTG against PAET in an amount to be determined at trial plus all interest thereafter and all fees, charges, and costs of collection, including attorneys' fees both before and after judgment, through the date of satisfaction.

B. On CLAIM II (Replevin of Equipment Collateral)

1. A judgment in favor of GLTG that directs PAET and 4R and their directors, officers and all other agents of them or persons whom they have control over, and anyone else in possession or control of the equipment collateral to promptly let GLTG into possession and control of the equipment collateral and deliver it to GLTG or its representatives or agents, as GLTG directs.

C. On CLAIM III (Conversion)

1. A judgment in favor of GLTG against PAET and 4R, jointly and severally, for all actual and punitive damages, costs and expenses GLTG has incurred on account of their wrongful refusal to let GLTG into possession and control of its equipment collateral.

- D.** That GLTG be granted such other and further relief as may be just and equitable.

[Signature Page Follows]

DATED this 24th day of May, 2023

von BRIESEN & ROPER, S.C.

By: *Electronically Signed by Christopher T. Koehnke*

Christopher T. Koehnke, SBN 1076031

Mark E. Schmidt, SBN 1052450

von BRIESEN & ROPER, s.c.

411 East Wisconsin Avenue, Suite 1000

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E-mail:

christopher.koehnke@vonbriesen.com

mark.schmidt@vonbriesen.com

Attorneys for Plaintiff

Item #	Qty.	Equipment Description
1.	1	30" clarifier E-02-1034
2.	1	Air Dissolving Tube E-02-1155
3.	1	Air Dissolving Tube E-02-1156
4.	1	Air Dissolving Tube E-02-1157
5.	1	Pulp Press E-02-1195
6.	1	Dispersion Unit E02-1072
7.	1	Pulper Infeed Conv. E-01-1005
8.	1	Pulper E-01--1000
9.	1	DSM Screen E-03-1233
10.	1	DSM Screen E-03-1234
11.	1	CLP 700, and 270 cleaners
12.	1	Cyclone Cleaner E-01-1013
13.	1	Hico Screen E-04-1063
14.	1	Hico ScreenE-04-1142
15.	1	Main Switch GearE-00-1228
16.	1	Unit Substation E-00-1231
17.	1	Side Hill Screen E-05-1093
18.	1	Side Hill Screen E-05-1094
19.	1	Side Hill Screen E-01-1188
20.	1	Feed Box EN01-26
21.	1	Hico Screen E-04-1065
22.	1	Steam Injectors E-01-1280
23.	1	600 hp motor M-01-1002
24.	1	350 hp motor M-04-1076
25.	1	Disper. Motor St. E-00-1208
26.	1	Pulper Motor St. E-00-1216
27.	1	Tank T-04-1067
28.	1	Tank T-01-1007
29.	1	Agitator A--06-1109
30.	1	Agitator A-06-1101
31.	1	Agitator A-01-1018
32.	1	Agitator A-04-1069
33.	1	Agitator A-01-1009
34.	1	Agitator A-03-1044
35.	1	Agitator A-04-1281
36.	1	Agitator A-07-1114

37.	1	Steam Gen. E-09-1244
38.	1	Steam Gen. E-09-1245
39.	1	LP gas switch
40.	1	LP gas switch
41.	1	Water Soft. syst. E-09-1248
42.	1	Lot Remote Controls
43.	1	Lot HiEff. Coils
44.	1	Tank T-03-1043
45.	1	Tank T-04-1127
46.	1	Krofta Spray Filter E-03-1190
47.	1	Krofta Spray Filter E-03-1145
48.	3	Agitator Split Seal E-00-1293
49.	2	Agitator Split Seals
50.	3	Agitator Split Seals
51.	1	Headbox Tank T-04-1194
52.	1	Headbox Tank T-04-1058
53.	1	Pulp Press sh. Tank T-06-1241
54.	1	Sludge Screw Press E-07-1135
55.	1	Sludge Belt Press E-07-1136
56.	1	Vibrating Screen E-08-1140
57.	1	Hydrasulfide Bl. Sys. E-11-1254
58.	1	Air Compressor E-10-1147
59.	1	Air Compressor E-10-1148
60.	2	Sound Enclosures
61.	1	Air Dryer E-10-1336
62.	1	Filter System
63.	1	Air Receiver Tk. E-10-1337
64.	1	Medium Volt Start. E-00-1334
65.	1	Medium Volt Start. E-00-1335
66.	1	200 hp motor M-02-1037
67.	1	200 hp motor M-03-1047
68.	1	MCC #1 - E-00-1213
69.	1	MCC # 2 - E-00-1214
70.	2	PLC Sections
71.	1	7000 gal. Poly Tank T-11-1187
72.	1	7000 gal. Poly Tank T-11-1206
73.	1	Power End pump LN01-24
74.	1	Power End pump LN01-25
75.	1	3175 Pump P-01-1003

- 76. 1 3196 Pump P-01-1011
- 77. 1 3175 Pump P-01-1016
- 78. 1 3196 Pump P-02-1022
- 79. 1 3196 Pump P-02-1025

- 80. 1 3175 Pump P-02-1028
- 81. 1 3196 Pump P-02-1036
- 82. 1 3196 Pump P-02-1039
- 83. 1 3175 Pump P-02-1041
- 84. 1 3196 Pump P-03-1046
- 85. 1 3175 Pump P-03-1052
- 86. 1 3175 Pump P-04-1061
- 87. 1 3175 Pump P-04-1070
- 88. 1 3196 Pump P-05-1082
- 89. 1 3196 Pump P-05-1085
- 90. 1 3175 Pump P-05-1087
- 91. 1 3196 Pump P-06-1095
- 92. 1 3175 Pump P-06-1103
- 93. 1 3175 Pump P-07-1116
- 94. 1 3196 Pump P-07-1119
- 95. 1 3196 Pump P-05-1131
- 96. 1 3196 Pump P-08-1138
- 97. 1 3196 Pump P-08-1153
- 98. 1 3196 Pump P-02-1169
- 99. 1 3196 Pump P-03-1191
- 100. (1) 3196 Pump P-06-1242
- 101. (1) 3196 Pump P-06-1308
- 102. (46) Motors Small Hp
- 103. (1)Pulper Hood e-01-1226
- 104. (1)MC Pump e-04-1056
- 105. (1) 100 hp Motor M-04-1057
- 106. (1) Comp. Sampler E-02-1235
- 107. (1) 500 gal. Poly Tank T-11-1260
- 108. (1) 500 gal. Poly Tank T-11-1273
- 109. (2) Self Aligning Fittings
- 110. (2) Self Aligning Fittings
- 111. (1) Side Hill Screen E-05-1371
- 112. (1)Side Hill Screen E-05-1372
- 113. (1) Screw Conveyor E-06-1202
- 114. (1)Sludge Conveyor E-06-1239

- 115. (1) Distrib. Conveyor E-07-1357
- 116. (1) Distrib. Conveyor E-07-1358
- 117. (1) WR Pump P-11-1248
- 118. (1) WR Pump P-11-1247
- 119. (1) 7.5 hp motor M-06-1203
- 120. (1) 7.5 hp motor M-07-1354
- 121. (1) 7.5 hp motor M-07-1355

- 122. (1) 7.5 hp motor M-07-1356
- 123. (1) DSM Screen E-03-1377
- 124. (1) Hydraulic syst.
- 125. (1) Dewatering Press E-01-1236
- 126. (1) 3196 Pump P-11-1387
- 127. (1) 10 hp motor M-11-1388
- 128. (1) Reversing Starter
- 129. (1) Hop. Pulper E-01-1236A
- 130. (1) Pulp. trash comp. E-01-1391
- 131. (2) yard hoppers
- 132. (2) yard dumpsters
- 133. (1) Scrap Chopper E-00-1307
- 134. (1) GR Pump Model 81
- 135. (1) 600 hp Motor
- 136. (1) 350 hp Motor
- 137. (1) 200 hp Motor
- 138. (1) Brightness Meter
- 139. (1) Freeness Tester
- 140. (1) Speed Lab Dryer
- 141. (1) Sheet Mold
- 142. (1) Gas Calibration unit
- 143. (1) Fractionator unit
- 144. (3) 1000 gal Tanks
- 145. (1) Vapor Mixer
- 146. (1) Propane System
- 147. (1) Electric Vaporizer
- 148. (3) Electric Hoists
- 149. (1) Voith Float. E-12-2016
- 150. (1) Voith Fine Screen E-13-2020
- 151. (1) Voith Fine Screen E-13-2024
- 152. (1) Lot Piping Material
- 153. (1) Lot Control Valves

- 154. (1) Lot Field Instruments.
- 155. (1) Lot manual valves
- 156. (1) Lot HVAC Equipment
- 157. (1) Lot Rolling Stock Equip.

Also:

Rubber belted in-feed BioChar with over sized surge hopper and cleaning brush
Rubber belted in-feed Carbon Black with over sized surge hopper and cleaning brush
In-feed enclosures with shared 3rd wall, soft walls on opposing sides, and dust ports
FE/ Non-FE Eddy Current with integrated rotary drum magnet and stainless vibratory feeder
Structural Support
Discharge Conveyor, BioChar with fiberglass section
Discharge Conveyor, Carbon Black with fiberglass section
Metal Detector, Bio Char
Metal Detector, Carbon Black
Material diversion chute (if metal detected), BioChar
Material diversion chute (if metal detected), Carbon Black
Material discharge chute to grinding mill
Material discharge chute to grinding mill
Rotary Grinding Mill
Machine Base
Rotary Grinding Mill

Machine Base
Discharge banana conveyor, BioChar with cleaning brush
Discharge banana conveyor, Carbon Black with cleaning brush
Bagging Station, BioChar
Bagging Station, Carbon Black
Bagging Station Structure
Bagging Station Enclosure
Dust Collector
General System Support Steel

Quantity	Equipment Description
1	Contaminex, Model CM31EP
1	Contaminex, Model CM21EP
1	Lohse Valve, Type TAP/G 16"
2	Drum Screen, Model STR 05F
1	Compax, Model CFX-R 60
1	Rejectsorter, Model RS2B
17	EcoMizer Upgrades for Cellece 700 Cleaners
1	Bank Fine Cleaners, Model HCL5C IB2.32 (29 active)
1	Basket for VPS35 Screen, Model C-Bar .006"
1	Basket for VPS10 Screen, Model C-Bar .006"
2	Banks LW Cleaners, Model LT3-50, 1 st Stage
1	Banks LW Cleaners, Model LT3-20, 2 nd Stage
1	Compact Washer, Model GW200

1. 800 horse Andritz Refiner (A)– estimated weight 10 tons
2. 800 horse Andritz Refiner (B) – estimated weight 10 tons
3. 800 horse power motor (A) 8" shaft - estimated weight 4 tons
4. 800 horse power motor (B) 8" shaft - estimated weight 4 tons
5. 1500 KDA copper wound transformer (A) – estimated weight 6 tons
6. 1500 KDA copper wound transformer (B) – estimated weight 6 tons
7. Size 6 Allen Bradley Starter for Motor A
8. Size 6 Allen Bradley Starter for Motor B
9. 8000 feet of 500 MCM electrical cable
10. 4700 feet of 12", 14" and 16" stainless steel pipe
11. (4) three way valves electro pneumatic controls – estimated weight 1 ton each
12. 400 horse stock feed pumps
13. (2) 200 horse stock feed pumps
14. (3) tile chests (see attached picture)
15. (19) electro pneumatic instruments and small valves and an Allen Bradley smart control panel (A)
16. (19) electro pneumatic instruments and small valves and an Allen Bradley smart control panel (B)
17. (1) spare 800 horse motor
18. (2) sets of 72 inch diameter by 10" thick refiner disc spares – 6 tons total weight