

**UNITED STATES DISTRICT
EASTERN DISTRICT OF MICHIGAN (BAY CITY)**

PRIME ALLIANCE BANK, INC.,
a Utah banking corporation;
and SERTANT CAPITAL, LLC,
a Delaware limited liability company,

Case No. 1:23-cv-10564-LJM-PTM
Hon. Laurie J. Michelson

Plaintiffs

v.

THE GREAT LAKES TISSUE COMPANY,
a Michigan corporation, TISSUE DEPOT, INC., a
Wisconsin corporation, CHEBOYGAN ENERGIES
& BIOFUELS CORP., a Wisconsin corporation,

Defendants.

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**PLAINTIFFS' RESPONSE TO ORDER
FOR PLAINTIFFS TO SHOW CAUSE**

As this Court noted in its Order for Plaintiffs to Show Cause (“Show Cause Order”), this Court recently granted Plaintiffs’ motion for a default judgment on

their claims for breach of contract, claim and delivery, and fraudulent transfer, but denied the motion as to the Plaintiffs' conversion claim. See Show Cause Order, ECF No. 75. This Court ordered that by June 4, 2024, Plaintiffs show cause, in writing, whether they wish to prosecute the conversion claim, and if so, explain why that claim should not be dismissed for failure to state a claim under Federal Rule of Civil Procedure 12(b)(6). See Id.

The Plaintiffs, through this Response to Order to Show Cause, decline to further prosecute their conversion claim, and consent to its dismissal. The Plaintiffs respectfully request that this Court dismiss their conversion claim and enter the proposed Default Judgment attached to this Response as Exhibit A.

Respectfully submitted,

BUCHALTER, a Professional
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Dated: June 3, 2024

EXHIBIT A

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DEFAULT JUDGMENT

This Court granted the withdrawal of Great Lakes Tissue Company's ("GLT") counsel and gave GLT until October 31, 2023, to obtain new counsel. (ECF No. 53.) The Court instructed GLT that if no new counsel appeared, the Court would issue an order to show cause why a default judgment should not be entered against it for the corporation's failure to be represented by counsel. (*Id.* at PageID.2809.) No new counsel appeared by October 31, 2023. On November 2, 2023, this Court ordered that GLT show cause as to why this Court should not enter a default judgment on behalf of Plaintiffs, including by awarding Plaintiffs possession of the equipment at issue in this case, for GLT's failure to be represented by counsel. (ECF No. 64.) GLT failed to respond to this Order. The Court conducted a hearing on Plaintiff's Verified Second Motion for Possession and Injunctive Relief on November 20, 2023. No opposition was filed to this motion. No one appeared on behalf of Defendants for this motion. Joseph K. Grekin appeared on behalf of Plaintiffs. On May 24, 2024, the Court issued an Opinion and Order granting Plaintiffs' Motion for a Default Judgment in part. (ECF No. 74.)

NOW, THEREFORE, IT IS HEREBY ORDERED AND ADJUDGED that a Default Judgment is entered in favor of Plaintiffs and against The Great Lakes Tissue Company, Tissue Depot, Inc. and Cheboygan Energies & Biofuels Corp., jointly and severally, in the total amount of \$2,706,496.72, plus prejudgment interest in the amount of \$351.28 per day from April 8, 2024 until the date of this Default

Judgment. The Default Judgment shall accrue post judgment interest as permitted under applicable law. Plaintiffs shall be entitled to recover their reasonable attorney fees and costs to collect and enforce this Judgment under applicable law.

IT IS HEREBY FURTHER ORDERED AND ADJUDGED that Plaintiffs are awarded immediate possession of the machinery and equipment (collectively, the “Equipment”) set forth on Exhibit 1 to this Default Judgment. Upon request of Plaintiffs, the sheriff or court officer is hereby directed to seize the Equipment within 21 days and either hold it or deliver it to Plaintiffs or take such other lawful action as is necessary to secure and possess the Equipment. Plaintiffs shall not be required to furnish a penalty bond.

IT IS HEREBY FURTHER ORDERED AND ADJUDGED that this Court’s prior injunction entered shall remain in full force and effect (ECF Nos. 24, 35.) such that The Great Lakes Tissue Company, Tissue Depot, Inc., Cheboygan Energies & Biofuels Corp. and their agents, representatives, employees, officers, directors, shareholders, and other persons acting on their behalf are enjoined and restrained from damaging, destroying, concealing, disposing of, moving, or using the Equipment so as to substantially impair its value.

Dated: _____, 2024

U.S. DISTRICT COURT JUDGE

Exhibit 1

	Equipment Description	Serial No.
1.	1969 Bacock & Wilcox Gas Fired 60,000 BTU Boiler	M98133M
2.	2013 Alfa Laval Heat Exchanger	30115-70081
3.	2013 Alfa Laval CB400-86H Heat Exchanger	42787870
4.	Appleton 60"x72" Core Cutter	n/a
5.	Wulftec WLP-150 Automatic Stretch Wrap Machine	0700-6317
6.	Orion SW44-12 Stretch Wrapper	7117540
7.	Black Clawson Poly Re-Claim & Stock Prep System	95-H-P-3692
8.	Beloit/Proctor & Gamble 128" Tissue Paper Machine and all accessories	n/a
9.	Lot of Laboratory Equipment and all accessories	n/a
10.	1985 Atlas Copco ZR-3 200 HP Packaged Rotary Screw Air Compressor	ARP-1200-8
11.	1985 Atlas Copco ZR-3 200 HP Packaged Rotary Screw Air Compressor	ARP-490886
12.	1978 Zurn R110A Refrigerated Air Dryer	R-9510
13.	2014 Ingersoll Rand R110 Nirvana SVD 150 Air Compressor	VN1505u13175
14.	Knowlton Core Machine	n/a

	Equipment Description	Serial No.
15.	1997 Perini 200G Core Machine and Back Stand	09056; 09057
16.	1998 Perini 716B 106" Toilet Roll Rewinder	09719; 19718
17.	2020 Baosuo YD-PL400C-2900 12" Bathroom Tissue Rewinder Line and all accessories	19S13005Fs
18.	1999 Perini 702G 106" JRT Rewinder and all accessories	40533
19.	1997 Perini 702G 106" JRT Rewinder Line and all accessories	8897
20.	Hobema 14-H 13" Napkin Folder	446
21.	Lot of Press, Gears, Valves, Pumps, Motors, Etc. including all components and ancillary items	n/a
22.	Clausing Colchester 17" Horizontal lathe	2312
23.	Bridgeport Series Vertical Drill	J202453
24.	Hendey Horizontal Lathe 14 x 42	121
25.	Cincinnati Milling Machine	E506J
26.	Cincinnati Bickford Drill	122
27.	Boyd & Emmes Radial Engine Horizontal Lathe	n/a
28.	Enerpac Hydraulic Press	n/a
29.	Grob NS24 Band Saw	3508

	Equipment Description	Serial No.
30.	Clausing Vertical Drill Press	104435
31.	Bradford Grinder	86
32.	Clausing Vertical Drill Press	511876
33.	Abrasive Machine Tool Sander	n/a
34.	Miller Bobcat 225 NT Welding Set	n/a
35.	Miller Trailblazer 30 Z Welding Set	n/a
36.	Hobart Mega Arc 300 Welding Set	n/a
37.	Misc. Hand Tools and Cabinets	n/a
38.	Rigid 802 Pipe Threader	n/a
39.	Wells Metal Band Saw	14980
40.	Miller XMT 350 CC/CV Welding Set	n/a
41.	Modern C6251x1500 Horizontal Lathe – Age 2003	n/a
42.	Lincoln Wirematic 255 Welding Set, all components and ancillary items	n/a
43.	Caterpillar 99F – 3,500 lbs. Cap.	AT81C-00357
44.	Caterpillar 99H – 3,500 lbs. Cap.	AT81C-00944
45.	Caterpillar V-80	932200-14A
46.	Caterpillar #11 Roll Grab – 7,000 lbs. Cap.	AT8701785
47.	Caterpillar #12 Roll Grab – 7,000 lbs. Cap.	AT8701784
48.	Genie #1 Scissor lift	76192

	Equipment Description	Serial No.
49.	Genie #2 Scissor lift	65851
50.	Genie #3 Articulating boom	Z34N-3953
51.	Genie AWP – 300 lbs. Cap.	3892-1317
52.	Halla #11 – 4,400 lbs. Cap.	1449K
53.	Hyster S-150 – 16,000 lbs. Cap.	A24D1857P
54.	Hyster 50 – 4,800 lbs. Cap.	F187V13647F
55.	JCB 506C – 6,000 lbs. Cap	585635
56.	JCB 506C – 6,000 lbs. Cap.	JCB5CAJLC61184611
57.	Kubota SSV65	13738
58.	Linde #5 Roll Grab – 3,700 lbs. Cap.	A11313G00184
59.	Linde #3 Roll Grab – 3,700 lbs. Cap.	A11313G00185
60.	Linde #24 – 4,500 lbs. Cap.	A11319J00224
61.	Linde #68 – 4,500 lbs. Cap.	A11319J00168
62.	Nissan #8 – 3,500 lbs. Cap.	23108
63.	Skid Steer L230	wbm432589
64.	Terex All Terrain lift – 6,000 lbs. Cap.	TH06O6B-6256
65.	Toyota #4 Roll Grab – 4,400 lbs. Cap.	84988
66.	Toyota #1 – 7,700 lbs. Cap.	77656
67.	Toyota #30 – 7,250 lbs. Cap.	63678