

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

CENTRAL STATES, SOUTHEAST AND )  
SOUTHWEST AREAS PENSION FUND; )  
CENTRAL STATES, SOUTHEAST AND )  
SOUTHWEST AREAS HEALTH AND WELFARE )  
FUND; and ARTHUR H. BUNTE, Jr., as Trustee, )

*Plaintiffs,* )

v. )

LAKEVILLE TRANSPORTATION, INC., a )  
Minnesota corporation; WREN CORPORATION, )  
a Minnesota corporation; SUMMIT RENOVATION )  
AND DESIGN INC., a Minnesota corporation; )  
LME, INC., a Minnesota corporation; )  
WREN EQUIPMENT, LLC, a Minnesota limited )  
liability company; TERMINAL PROPERTIES, LLC, )  
a Minnesota limited liability company; )  
SUPERIOR PROPERTIES MANAGEMENT, INC., )  
a Minnesota corporation; WREN ENTERPRISES, )  
LLC, a Minnesota limited liability company; )  
R&L CARTAGE PROPERTIES, LLC, )  
a Minnesota limited liability company; )  
LAKEVILLE LOGISTICS, INC., a Minnesota )  
corporation; IOWA TERMINAL PROPERTIES, LLC, )  
a Minnesota limited liability company; )  
ROCK ISLAND PROPERTIES, LLC, an Illinois )  
limited liability company; JMW PROPERTIES, LLC, )  
a Minnesota limited liability company; )  
OMAHA PROPERTIES, LLC, a South Dakota )  
limited liability company; TURK TRUST, LLC, )  
a Minnesota limited liability company; )  
ROGER WILSEY, an individual; )  
SHARI TAYLOR WILSEY, an individual; and )  
FINISH LINE EXPRESS, LLC, )  
a Minnesota limited liability company, )

*Defendants.* )

Case No. 18-cv-01878

District Judge

Magistrate Judge

## **COMPLAINT**

Plaintiffs, Central States, Southeast and Southwest Areas Pension Fund; Central States, Southeast and Southwest Areas Health and Welfare Fund; and Arthur H. Bunte, Jr., one of the Funds' present trustees, for a cause of action against Defendants allege as follows:

### **INTRODUCTION**

1. Around November 19, 2016, days before Thanksgiving, Lakeville Motor Express shut its doors abruptly without any prior warning to employees, leaving nearly 100 employees unemployed and with wages unpaid dating back to November 7, 2016. Indeed, Lakeville Motor Express employees showed up to work on November 19, 2016 to find the doors padlocked. As a result of this closure, Lakeville Motor Express effected a complete withdrawal from the Central States, Southeast and Southwest Areas Pension Fund ("Pension Fund") in 2016 and incurred withdrawal liability in the principal amount of \$90,092,302.70. Lakeville Motor Express then filed for bankruptcy protection in January 2017.

2. At the heart of this case, however, is how Lakeville Motor Express, with revenues in 2013 and 2014 exceeding \$120 million per year, and accompanied by a net profit each such year, could have encountered such drastic troubles so soon thereafter. The answer lies in the manipulation and intended destruction of Lakeville Motor Express by its purported former owners, Roger Wilsey and Shari Taylor Wilsey (Roger Wilsey and Shari Taylor Wilsey are collectively the "Wilseys"), who still maintained tight control over Lakeville Motor Express and intentionally sabotaged the company's operations, while at the same time propping up and moving work to other trucking and trucking-

related companies they owned and controlled, thus ensuring Lakeville Motor Express' demise. They did so with the cooperation of Kevin Deming, who purportedly purchased Lakeville Motor Express from the Wilseys, and whose daughter is married to Shari Taylor Wilsey's son.

3. And despite the fact that Roger Wilsey has decades of experience in the trucking industry, and even though Lakeville Motor Express seemingly failed within a year of Kevin Deming purportedly becoming its sole owner, Roger Wilsey hired Kevin Deming as a consultant at LME (previously known as Superior Cartage, but referred to herein only as LME) within one week after Lakeville Motor Express closed its doors. Roger Wilsey agreed that LME would pay Deming \$1,650 per week, yet even Deming admits he only works 3 to 6 hours per week to earn his "consulting" fee.

4. The Pension Fund now seeks to collect Lakeville Motor Express' withdrawal liability from the various companies that were at one time under common control with Lakeville Motor Express (and thus jointly and severally liable for Lakeville Motor Express' withdrawal liability), all of which were part of a single, fractionalized trucking operation (except for Turk Trust), and which entities, along with the Wilseys (but not including Turk Trust), are also alter egos of Lakeville Motor Express. The Pension Fund also seeks to collect the withdrawal liability from the Wilseys as the result of transactions intended by the Wilseys with a principal purpose of evading or avoiding Lakeville Motor Express' withdrawal liability.

5. The Pension Fund and the Central States, Southeast and Southwest Areas Health and Welfare Fund ("Health Fund" and together with the Pension Fund, the "Funds") also seek to collect delinquent contributions from the aforementioned alter

egos of Lakeville Motor Express, which include the entities that were at one time under common control with Lakeville Motor Express and which were part of the single, fractionalized trucking company, along with the Wilseys.

6. Finally, the Funds seek to collect the delinquent contributions and withdrawal liability from Finish Line Express, which is an alter ego of and successor to Lakeville Motor Express.

### **JURISDICTION AND VENUE**

7. This action arises under ERISA, as amended by the MPPAA, 29 U.S.C. § 1001 *et seq.* This Court has jurisdiction over this action under 29 U.S.C. §§ 1132(e), 1132(f) and 1451(c), as well as under 28 U.S.C. § 1331.

8. Venue lies in this district under 29 U.S.C. §§ 1132(e)(2) and 1451(d) in that the Funds are administered at their principal place of business in Rosemont, Illinois.

### **PARTIES AND RELATIONSHIPS**

9. The Funds are multiemployer employee benefit plans within the meaning of 29 U.S.C. §§ 1002(37) and 1301(a)(3).

10. The Funds are primarily funded by contributions remitted by multiple participating employers pursuant to negotiated collective bargaining agreements with local unions affiliated with the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America on behalf of employees of those same employers. All principal and income from such contributions and investments thereof is held and used for the exclusive purpose of providing pension and health and welfare benefits to participants and beneficiaries of the Funds and paying the administrative expenses of the Funds.

11. Plaintiff Arthur H. Bunte, Jr., is a present trustee and fiduciary of the Funds within the meaning of 29 U.S.C. § 1002(21)(A), and he and his fellow trustees are the plan sponsor of the Funds within the meaning of 29 U.S.C. § 1301(a)(10). The Trustees administer the Funds at 9377 West Higgins Road, Rosemont, Illinois.

12. Pursuant to 29 U.S.C. §§ 1132(a)(3) and 1451(a)(1), the Trustees, by and through their designated trustee Arthur H. Bunte, Jr., are authorized to bring this action on behalf of the Funds, their participants and beneficiaries for the purpose of collecting withdrawal liability and delinquent contributions.

13. Non-party Lakeville Motor Express, Inc. is a Minnesota corporation and a debtor in the bankruptcy case *In re Lakeville Motor Express, Inc.*, Case Number 17-40145, proceeding in the United States Bankruptcy Court for the District of Minnesota.

14. Lakeville Transportation, Inc. is a Minnesota corporation. Prior to July 29, 2015, Lakeville Transportation was known as Taylor Wilsey, Ltd.

15. Wren Corporation is a Minnesota corporation.

16. Summit Renovation and Design Inc. is a Minnesota corporation.

17. LME, Inc. is a Minnesota corporation. Prior to November 2014, LME was known as Superior Cartage.

18. Wren Equipment, LLC is a Minnesota limited liability company.

19. Terminal Properties, LLC is a Minnesota limited liability company.

20. Superior Properties Management, Inc. is a Minnesota corporation.

21. Wren Enterprises, LLC is or was a Minnesota limited liability company.

22. R&L Cartage Properties, LLC is or was a Minnesota limited liability company.

23. Lakeville Logistics, Inc. is a Minnesota corporation.
24. Iowa Terminal Properties, LLC is or was a Minnesota limited liability company.
25. Rock Island Properties, LLC is or was an Illinois limited liability company.
26. JMW Properties, LLC is or was a Minnesota limited liability company.
27. Omaha Properties, LLC is or was a South Dakota limited liability company.
28. Turk Trust, LLC is a Minnesota limited liability company.
29. Roger Wilsey is a citizen and resident of Minnesota.
30. Shari Taylor Wilsey is a citizen and resident of Minnesota.
31. Roger Wilsey and Shari Taylor Wilsey have been married since before 2009.
32. Roger Wilsey and Shari Taylor Wilsey also owned directly or indirectly each of the entity Defendants except Finish Line Express and Roger Wilsey and/or Shari Taylor Wilsey was an officer of each such entity Defendant except for Finish Line Express at some point in time in or after November 2009.
33. Finish Line Express, LLC is a Minnesota limited liability company.

### **FACTUAL BACKGROUND**

- A. The purchase of Lakeville Motor Express and related companies by Lakeville Transportation and Summit Renovation and Design
34. For many years prior to 2009, and subsequent thereto, Lakeville Motor Express was bound by collective bargaining agreements with various local unions affiliated with the International Brotherhood of Teamsters under which Lakeville Motor Express was required to contribute to the Funds on behalf of certain of its employees.

35. Effective November 30, 2009, Lakeville Transportation (previously known as Taylor Wilsey, Ltd. but referred to herein as Lakeville Transportation) and Summit Renovation and Design entered into an agreement (hereinafter the “Lakeville Motor Express Purchase Agreement”) pursuant to which they purchased eleven separate corporations and limited liability companies, plus additional wholly owned subsidiaries of the aforementioned eleven entities, including Lakeville Motor Express, which was the wholly owned subsidiary of Wren Corporation.

36. Alternatively, the Lakeville Motor Express Purchase Agreement was entered into and became effective on or about December 18, 2009, despite the parties’ agreement that the Lakeville Motor Express Purchase Agreement would be deemed effective as of November 30, 2009, even if the transaction closed subsequent thereto.

37. More specifically with respect to the entities sold and purchased, pursuant to the Lakeville Motor Express Purchase Agreement, Lakeville Transportation purchased the stock of Wren Corporation, including its wholly owned subsidiary Lakeville Motor Express, while Summit Renovation and Design purchased the stock and/or ownership interests of Iowa Terminal Properties; JMW Properties; Omaha Properties; R&L Cartage Properties; Rock Island Properties; LME (and LME’s wholly owned subsidiaries H&B Cartage, Inc. and its wholly owned subsidiary H&B Truck Line, Inc.; Haynes Express, Inc.; Kansas City Cartage, Inc.; R&L Cartage, Inc. and Reynolds Cartage, Inc.); Superior Properties Management; Terminal Properties; Wren Enterprises and Wren Equipment. The following chart summarizes the purchasers and entities purchased:

<u>Lakeville Transportation</u>	<u>Summit Renovation and Design</u>
Wren Corporation Lakeville Motor Express	Iowa Terminal Properties JMW Properties Omaha Properties R&L Cartage Properties Rock Island Properties LME (and subsidiaries) Superior Properties Management Terminal Properties Wren Enterprises Wren Equipment

38. Although many of the corporations/limited liability companies sold in the Lakeville Motor Express Purchase Agreement had slightly different owners prior to the Agreement (in terms of both persons and ownership percentages), and even though purportedly different purchasers were purchasing different of the companies being sold, the Lakeville Motor Express Purchase Agreement simply provided for payment of the \$10,750,000 purchase price vaguely as follows: "Purchasers hereby agree to pay to Sellers (pro rata in respect to each Seller's owned percentage of the total Ownership Interests in each Acquired Company)."

39. In other words, neither the sellers nor the purchasers applied any valuations or separate purchase prices with respect to any of the specific corporations/limited liability companies sold and purchased pursuant to the Lakeville Motor Express Purchase Agreement.

40. Moreover, although the total purchase price for the companies sold pursuant to the Lakeville Motor Express Purchase Agreement was \$10,750,000, \$4,750,000 of the purchase price was to be paid pursuant to a secured promissory note signed solely by Summit Renovation and Design. The Lakeville Motor Express

Purchase Agreement did not contain any express agreement on behalf of Lakeville Transportation to pay any particular portion of the purchase price.

41. As part of the Lakeville Motor Express Purchase Agreement, a non-compete agreement was also entered. However, Summit Renovation and Design was the only party to such non-compete agreement on the purchasers' side. Thus, even though Lakeville Transportation was purchasing Wren Corporation and its wholly owned subsidiary Lakeville Motor Express pursuant to the Lakeville Motor Express Purchase Agreement, Lakeville Transportation, Wren Corporation and Lakeville Motor Express were not parties to, or stated beneficiaries of, the non-compete agreement.

42. Yet even though Lakeville Transportation, Wren Corporation and Lakeville Motor Express were not parties to the non-compete agreement, Summit Renovation and Design (which did not purchase any of the aforementioned three companies) obtained protection in the non-compete agreement assuring that seller John Wren would not attempt to compete with any of the sold entities, including companies which Summit Renovation and Design was not purchasing, i.e., Wren Corporation and Lakeville Motor Express. Moreover, Summit Renovation and Design indicated via the non-compete agreement that it was not willing to enter into and close the Lakeville Motor Express Purchase Agreement unless John Wren (one of the sellers) agreed to this non-compete agreement, including the agreement not to compete with Lakeville Motor Express.

43. In conjunction with entry into the Lakeville Motor Express Purchase Agreement, Summit Renovation and Design, Lakeville Transportation, Terminal Properties, Iowa Terminal Properties and Rock Island Properties also entered into an

agreement pursuant to which they agreed that all of the loans and extensions of credit by Premier Bank in Minnesota to one or more of the above entities, as well as to Lakeville Motor Express, Wren Equipment, JMW Properties, LME and H&B Truck Line (a wholly owned subsidiary of H&B Cartage) would be cross-collateralized using all of the mortgages, cash collateral and equipment pledged by any and all of the above entities, and that such loans and extensions of credit would also be personally guaranteed by Roger Wilsey and Shari Taylor Wilsey. Such agreement was signed by Roger Wilsey on behalf of Lakeville Transportation, Terminal Properties, Iowa Terminal Properties and Rock Island Properties, and by Shari Taylor Wilsey on behalf of Summit Renovation and Design.

44. Also in conjunction with entry into the Lakeville Motor Express Purchase Agreement, Wren Equipment, H&B Truck Line (later merged into LME via its parent H&B Cartage) and JMW Properties, the aforementioned entities being ones purchased by Summit Renovation and Design, granted security interests in truck tractors and trailers to secure certain obligations of related entities, including obligations of Lakeville Motor Express, which was purchased by Lakeville Transportation (through Lakeville Motor Express' parent, Wren Corporation). Roger Wilsey signed the security agreement on behalf of Wren Equipment and JMW Properties, and Shari Taylor Wilsey signed the security agreement on behalf of H&B Truck Line.

45. Also in conjunction with entry into the Lakeville Motor Express Purchase Agreement, Lakeville Motor Express entered into a security interest subordination agreement with Premier Bank in which Lakeville Motor Express acknowledged that it was commonly owned with LME, H&B Truck Line, Iowa Terminal Properties, JMW

Properties, Omaha Properties, R&L Cartage Properties, Rock Island Properties, Superior Properties Management, Terminal Properties, Wren Corporation, Wren Equipment and Wren Enterprises. Lakeville Motor Express further acknowledged in such security interest subordination agreement that Iowa Terminal Properties, JMW Properties, Omaha Properties, R&L Cartage Properties, Rock Island Properties, Superior Properties Management, Terminal Properties, Wren Corporation, Wren Equipment and Wren Enterprises may own real estate that is used in connection with the business and operations of Lakeville Motor Express. Roger Wilsey signed the security interest subordination agreement on behalf of Lakeville Motor Express.

46. And also in conjunction with the Lakeville Motor Express Purchase Agreement, Terminal Properties executed a mortgage in which it also listed its business address as 500 West County Road D, New Brighton, Minnesota, and which secured multiple entities' obligations to Premier Bank, including an obligation of Lakeville Motor Express. Roger Wilsey signed the mortgage on behalf of Terminal Properties.

47. Subsequent to the Lakeville Motor Express Purchase Agreement being entered into, certain UCC financing statements were filed in the State of Minnesota with respect to Lakeville Motor Express, Wren Equipment and JMW Properties. Those financing statements, which upon information and belief were prepared by counsel for Lakeville Motor Express, Wren Equipment and JMW Properties, indicated that Lakeville Motor Express, Wren Equipment and JMW Properties shared a common business address of 500 West County Road D, New Brighton, Minnesota.

B. The ownership of Lakeville Transportation and Summit Renovation and Design, i.e., the purchasers involved in the Lakeville Motor Express Purchase Agreement

48. On November 30, 2009, i.e., when the Lakeville Motor Express Purchase Agreement was entered into, Roger Wilsey and Shari Taylor Wilsey collectively owned at least 80% of the total combined voting power of all classes of outstanding stock entitled to vote or at least 80% of the total value of outstanding shares of all classes of stock of Lakeville Transportation.

49. Also on November 30, 2009, Roger Wilsey and Shari Taylor Wilsey collectively owned at least 80% of the total combined voting power of all classes of outstanding stock entitled to vote or at least 80% of the total value of outstanding shares of all classes of stock of Summit Renovation and Design.

50. Upon information and belief, at some time between November 30, 2009 and December 18, 2009, Roger Wilsey and Shari Taylor Wilsey changed the ownership of Summit Renovation and Design. Upon such change, upon information and belief, Roger Wilsey and Shari Taylor Wilsey then owned merely 49% of the total combined voting power of all classes of outstanding stock entitled to vote of Summit Renovation and Design or 49% of the total value of outstanding shares of all classes of stock of Summit Renovation and Design. Upon information and belief, the remaining 51% ownership of Summit Renovation and Design was then owned by 6 of the Wilseys' 7 children, with each child having been given an 8.5% ownership interest.

51. At the time of Summit Renovation and Design's acquisition of the entities referenced in paragraph 36, upon information and belief, Roger Wilsey and Shari Taylor-Wilsey's 6 children who were given ownership interests in Summit Renovation

and Design were each at least 21 years of age, while the 7th child who was not given an ownership interest was under the age of 21.

52. Pursuant to 26 C.F.R. §§ 1.414(c)-2(c)(2) and 1.414(c)-4(b)(6)(i) and (ii), if parents collectively own at least 50% of the stock of a corporation, then the parents are deemed to own stock held by their children, regardless of the children's age. However, if the parents own less than 50% of the stock of the corporation, then the parents are only deemed to own the stock of their children who have not yet attained the age of 21 years.

53. At the time of the Summit Renovation acquisitions in 2009, had Roger Wilsey and Shari Taylor-Wilsey given all 7 of their children equal ownership interests, instead of merely the 6 children who had attained the age of 21, then each child would have received approximately a 7.29% ownership interest, Roger Wilsey and Shari Taylor-Wilsey would have been deemed to collectively own the ownership interest held by their youngest child, and because Roger Wilsey and Shari Taylor-Wilsey would then have been in "effective control" of Summit Renovation and Design (i.e., they would have been deemed to own 56.29% of Summit Renovation and Design – i.e., more than 50%, given their own 49% interest along with their youngest child's 7.29% interest), then they would also have been deemed to own the interests of all of their children who had attained the age of 21 years. Thus, Roger Wilsey and Shari Taylor Wilsey would have been deemed to have collectively owned at least 80% of the total combined voting power of all classes of outstanding stock entitled to vote of Summit Renovation and Design or at least 80% of the total value of outstanding shares of all classes of stock of

Summit Renovation and Design, just as they did before transferring ownership shares to 6 of their 7 children.

54. Moreover, because the Wilseys would have collectively owned at least 80% of both Lakeville Transportation and both of the entities Lakeville Transportation purchased via the Lakeville Motor Express Purchase Agreement (i.e., Wren Corporation and its wholly owned subsidiary Lakeville Motor Express), and at least 80% of Summit Renovation and Design and all of the entities Summit Renovation and Design purchased via the Lakeville Motor Express Purchase Agreement had the Wilseys either remained the sole owners of Summit Renovation and Design or had they given all 7 of their children equal ownership interests in Summit Renovation and Design, all of the entities sold pursuant to the Lakeville Motor Express Purchase Agreement would have been and/or remained under common control but for Roger Wilsey and Shari Taylor Wilsey transferring 51% of their ownership interests in Summit Renovation and Design to 6 of their 7 children.

55. Notably, upon information and belief, in 2015, and after the Wilseys purportedly sold the remaining 75% of Lakeville Transportation to Kevin Deming, the Wilseys apparently caused their children who had remained owners of Summit Renovation and Design to transfer back to the Wilseys such ownership interests, such that once again the Wilseys collectively owned at least 80% of the total combined voting power of all classes of outstanding stock entitled to vote of Summit Renovation and Design or at least 80% of the total value of outstanding shares of all classes of stock of Summit Renovation and Design, just as they did before transferring ownership shares to 6 of their 7 children.

56. But even before again changing the ownership of Summit Renovation and Design in 2015, on or about December 21, 2009, the Wilseys purportedly sold 25% of their stock in Lakeville Transportation (the indirect owner of Lakeville Motor Express) to Kevin Deming, purportedly for \$25,000 in cash. The Wilseys and Kevin Deming are not strangers as Deming's daughter was and remains married to one of Shari Taylor Wilsey's sons.

57. On December 11, 2009, shortly before the Wilseys purportedly sold the 25% portion of Lakeville Transportation to Kevin Deming, Kevin Deming wrote to Roger Wilsey and expressed concern "[r]egarding additional information you [i.e., Roger Wilsey] shared with me on the contingent Liability with the Central states pension fund. I am a little uncomfortable with my liability, especially since it could potentially devalue the company to zero, I am sure you understand." Kevin Deming nonetheless moved forward with the acquisition.

C. Lakeville Motor Express' Participation in the Reliance Network

58. In 2008, prior to the effective date of the Lakeville Motor Express Purchase Agreement, Lakeville Motor Express entered into a pooling agreement with six other less-than-truckload service providers, which agreement became known as the Reliance Network. The concept of the Reliance Network was that the seven different trucking companies would pool certain services (including but not limited to information technology, administrative functions, and sales and marketing efforts), traffic and revenues.

59. At the time Lakeville Motor Express joined the Reliance Network in 2008, Roger Wilsey was a vice president of Lakeville Motor Express.

60. When the Wilseys purchased Lakeville Motor Express through Lakeville Transportation, Roger Wilsey was Lakeville Motor Express' chief executive officer and indicated that Lakeville Motor Express would remain in the Reliance Network. Specifically, Roger Wilsey was quoted as saying that the Reliance Network "allows us [i.e., Lakeville Motor Express] to offer coverage throughout North America and is a growing portion of the business."

61. However, in November 2014, Roger Wilsey caused Lakeville Motor Express to voluntarily withdraw from the Reliance Network, and then moved for LME (owned by the Wilseys through Summit Renovation and Design) to be substituted for Lakeville Motor Express in the Reliance Network.

62. A notice filed with the Surface Transportation Board in support of LME's substitution for Lakeville Motor Express indicated that LME's core service area is coextensive with that of Lakeville Motor Express under the pooling agreement. The notice further included an assertion that LME has provided transportation services on behalf of Lakeville Motor Express within Lakeville Motor Express' core service area (Illinois, Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, North Dakota, South Dakota and Wisconsin).

63. In 2013 and 2014, Lakeville Motor Express generated approximately \$124 million in gross revenues per year and had a net profit for both years. In fact, Lakeville Motor Express' gross revenues were higher in 2013 and 2014 than they were in 2012.

64. And for comparison purposes, in 2008, the year before the Wilseys (through Lakeville Transportation) purchased Lakeville Motor Express, and which is the

same year Lakeville Motor Express joined the Reliance Network, upon information and belief Lakeville Motor Express' revenues were only approximately \$80 million.

D. Lakeville Motor Express' failure following its exit from the Reliance Network, and Lakeville Motor Express' interrelationship with LME

65. In 2015, the year after the Wilseys caused Lakeville Motor Express to pull out of the Reliance Network, Lakeville Motor Express' gross revenues had dropped from approximately \$120 million to approximately \$31 million and Lakeville Motor Express had a net loss of approximately \$650,000.

66. In LME's employee handbook, LME has represented that it and other carriers created the Reliance Network.

67. After the Wilseys caused Lakeville Motor Express to pull out of the Reliance Network and caused LME to substitute in its place in November 2014, the Wilseys then caused LME and Lakeville Motor Express to enter into a cartage agreement in December 2014. Pursuant to this cartage agreement, Lakeville Motor Express was to make pick-ups and deliveries of freight on behalf of LME. The cartage agreement was signed by Roger Wilsey on behalf of Lakeville Motor Express, and Luke Olson, one of the Wilseys' children, on behalf of LME.

68. Also in December 2014, the Wilseys caused Lakeville Motor Express and LME to enter into an administrative service agreement, pursuant to which LME was purportedly to provide certain administrative services to Lakeville Motor Express, and Lakeville Motor Express was supposed to pay \$3,000 per month to LME. Within six months of entering the administrative service agreement, on or about June 1, 2015, the parties amended the agreement such that Lakeville Motor Express was required to pay LME \$5,000 per month beginning August 1, 2015. As with the aforementioned cartage

agreement, the administrative service agreement and the amendment thereto was signed by Roger Wilsey on behalf of Lakeville Motor Express, and Luke Olson, one of the Wileys' children, on behalf of LME.

69. In 2005, Lakeville Motor Express registered the trademark "LME."

70. And Lakeville Motor Express had often been referred to as "LME," even by the Wileys and even in written communications from Lakeville Motor Express.

71. Lakeville Motor Express was even referred to as "LME" in the Lakeville Motor Express Purchase Agreement which became effective in 2009, and in documents created and executed in conjunction with the Lakeville Motor Express Purchase Agreement.

72. But in May 2014, shortly before Roger Wilsey caused Lakeville Motor Express to pull out of the Reliance Network and have LME substituted in its place, Roger Wilsey also caused Lakeville Motor Express to transfer the "LME" trademark to LME, even though LME was still named Superior Cartage at such time.

73. And since no later than 2014, LME has listed its business address as 500 West County Road D, New Brighton, Minnesota, the same address as Lakeville Motor Express.

74. Similarly, Wren Corporation, Lakeville Motor Express' parent, has listed its business address as 500 West County Road D, New Brighton, Minnesota since even before 2014.

75. In October 2014, Superior Cartage then changed its name to LME.

76. However, months earlier in June 2014, LME (but named Superior Cartage at such time) entered into a vehicle lease agreement with Wren Equipment in which

Superior Cartage claimed to already be doing business as LME. The agreement was signed by Roger Wilsey on behalf of Wren Equipment and Michael Sanford on behalf of LME. Upon information and belief, Michael Sanford had been employed by Lakeville Motor Express no later than 2006 and until December 2012 at the earliest. Michael Sanford would also go on to become an owner and officer of Finish Line Express, alleged herein to be an alter ego of and successor to Lakeville Motor Express.

77. In December 2014, LME caused a number of other trucking companies to be merged into LME. Specifically, in December 2014, Haynes Express; R&L Cartage; Kansas City Cartage; H&B Cartage and its wholly owned subsidiary H&B Truck Line; and Reynolds Cartage all merged into LME with LME being the surviving entity. Pursuant to the articles of merger executed with respect to the merger, LME indicated that service of process upon LME could be effectuated by serving process upon LME at Lakeville Motor Express.

E. Wren Equipment was the truck tractor and trailer arm of Lakeville Motor Express' operations.

78. Upon information and belief, Wren Equipment does not have any employees and has not had any employees at any time since no later than December 2009.

79. Upon information and belief, Lakeville Motor Express itself did not own any of the trucks and trailers used in its operations dating back to December 2009. Instead, Wren Equipment always provided Lakeville Motor Express with such truck tractors and trailers from no later than December 2009 until Lakeville Motor Express ceased operations in November 2016.

80. Wren Equipment entered into written vehicle lease agreements with Lakeville Motor Express in 2014 and 2015. The 2015 agreement was signed by Roger Wilsey on behalf of Wren Equipment and by Kevin Deming on behalf of Lakeville Motor Express.

81. The written vehicle lease agreements between Lakeville Motor Express and Wren Equipment dating back to 2014 did not specify any particular amounts to be paid by Lakeville Motor Express under the lease agreement, and did not specify precise dates when payments would be due.

82. Even though Kevin Deming purportedly came to become the sole shareholder of Lakeville Motor Express' parent company (Lakeville Transportation) in 2015 and also became the chief executive of Lakeville Motor Express at such time, he did not investigate whether Lakeville Motor Express could have leased trucks and/or trailers from any other company other than Wren Equipment on more favorable terms.

F. The Wilses caused certain companies that owned Lakeville Motor Express and LME truck terminals to sell those terminal properties, but only on the condition that Lakeville Motor Express and LME could continue to lease such terminal properties.

83. In November 2014, Rock Island Properties, Iowa Terminal Properties, Omaha Properties, Wren Enterprises and Terminal Properties (all owned by Summit Renovation and Design, rather than Lakeville Motor Express' ultimate owner, Lakeville Transportation) entered into an agreement with a third party to sell certain real estate, specifically truck terminals leased by Lakeville Motor Express and LME. The agreement was amended three times, with the final amendment being accomplished in February 2015. Roger Wilsey signed the agreement on behalf of all of the sellers.

84. The sellers' agreement to sell the aforementioned real estate was expressly conditioned upon the purchasers' agreement to lease back to LME and Lakeville Motor Express four different terminal properties, three terminals with respect to LME and one with respect to Lakeville Motor Express.

85. The total sales price for the various parcels of real estate was approximately \$7.75 million.

86. Pursuant to the above referenced sale of real estate, and specifically the second amendment to such purchase agreement, Lakeville Motor Express executed guarantees pursuant to which it guaranteed all obligations, including payment, of LME to the real estate purchasers with respect to the leases under which LME was the tenant. Roger Wilsey signed the guarantees on behalf of Lakeville Motor Express.

G. After having removed Lakeville Motor Express from the Reliance Network, and also after having sold Lakeville Motor Express' "LME" trademark to LME, the Wilses then purportedly sell their remaining ownership interest in Lakeville Motor Express' ultimate parent company to Kevin Deming.

87. In July 2015, the Wilses purportedly sold their remaining 75% ownership interest in the stock of Lakeville Transportation, which owned 100% of the stock of Wren Corporation and its wholly owned subsidiary Lakeville Motor Express, to Kevin Deming for \$750,000.

88. In selling their remaining ownership interest in Lakeville Transportation to Kevin Deming, the Wilses did not demand that Deming make any down-payment with respect to this purchase, and Deming merely agreed to pay the Wilses approximately \$5,000 per month, beginning in July 2016, to satisfy Deming's payment obligation.

89. Furthermore, Kevin Deming agreed to pay the \$750,000 despite his prior stated concerns that Lakeville Motor Express could have zero value because of its “contingent” obligation to the Pension Fund.

90. Prior to purportedly purchasing this remaining 75% interest in Lakeville Transportation for \$750,000, Kevin Deming did not seek any formal valuation of Lakeville Motor Express or its parent company Wren Corporation, despite Deming’s prior stated concerns about the “contingent” liability of Lakeville Motor Express to the Pension Fund.

91. Even though Kevin Deming was personally buying the stock of Lakeville Transportation, Deming caused Lakeville Motor Express to make a partial payment for the stock purchase to Roger Wilsey, which payment was in the amount of \$16,642.98. Upon information and belief, Roger Wilsey deposited the check.

92. Even though Lakeville Motor Express went out of business and Kevin Deming stopped making payments on the purported stock purchase to the Wilseys, and even though Deming paid less than \$100,000 to the Wilseys pursuant to such purported 75% stock purchase, upon information and belief the Wilseys have not taken any legal action to collect any amounts from Deming.

H. Lakeville Motor Express’ continuing interrelationship with LME

93. From the moment Kevin Deming purportedly became the chief executive of Lakeville Motor Express, and upon information and belief, going back years earlier, LME took care of Lakeville Motor Express’ billing, accounts receivable, customer service and safety programs. In fact, Kevin Deming admitted in testimony at the Rule

341 meeting of creditors in Lakeville Motor Express' bankruptcy case that he made little or no inquiry into how the finances of Lakeville Motor Express were maintained.

94. From the moment Kevin Deming purportedly became the chief executive of Lakeville Motor Express, Lakeville Motor Express received all of its cartage business through LME, and Deming made no effort to obtain business from any other entity other than LME.

95. Including time periods prior to 2015 and through the date of Lakeville Motor Express' complete withdrawal from the Pension Fund, Lakeville Motor Express did not have its own website. LME had a website and there was a dropdown bar on such website pertaining to Lakeville Motor Express.

96. Indeed, drivers could apply for driving positions with Lakeville Motor Express and LME on LME's website.

97. Via email on May 9, 2016, Kevin Deming, purportedly the sole shareholder of Lakeville Motor Express' parent company and president of Lakeville Motor Express at such time, sent an email to Karen Vanney and Bernadette Erdos at LME. In such email, Deming stated the following: "Bernie & Karen, I have been instructed for the future, to send in my expenses to you, rather than LME. Roger [Wilsey] wants the sepration [sic] of companies. Here is my 1st attempt."

98. Less than three months before Lakeville Motor Express would cease operations, LME and Lakeville Motor Express entered into an agreement on September 1, 2016, pursuant to which LME would extend a line of credit to Lakeville Motor Express up to \$500,000. LME and Lakeville Motor Express increased the aforementioned amount to \$1 million in October 2016. Meanwhile, Lakeville Motor Express provided

LME with a promissory note and also a security agreement, securing all assets of Lakeville Motor Express.

99. However, from July 25, 2016 through August 15, 2016, LME had already written checks to Lakeville Motor Express in the collective amount of \$1,075,000, purportedly pursuant to the subsequently entered loan agreements, promissory note and security agreement, even though the borrowing limit was \$500,000 as of the date of the September 1, 2016 agreement, and only \$1,000,000 as of the date of the October 2016 agreement.

100. Karen Vanney, an LME officer, had the authority to request on behalf of Lakeville Motor Express that LME provide advances to Lakeville Motor Express pursuant to such loan agreements without even seeking input or authority from Kevin Deming. Vanney was previously an employee of Lakeville Motor Express dating back to even before 2009.

101. Kevin Deming appeared to know very little about Lakeville Motor Express' operations despite being its chief executive officer. For instance, even though Deming knew Lakeville Motor Express used a payroll service, he could not recall the name of such payroll service as of February 2017 when he testified on behalf of Lakeville Motor Express at its Rule 341 meeting of creditors.

102. While testifying at the Rule 341 meeting of creditors in February 2017 in Lakeville Motor Express' bankruptcy case, Kevin Deming also could not explain why Lakeville Motor Express had made various payments to certain entities, including several hundred thousand dollars in payments to LME in 2016. Indeed, even though

Lakeville Motor Express had paid a law firm money in the fall of 2016, Deming could not explain in February 2017 what that law firm was doing for Lakeville Motor Express.

103. In November 2016, Roger Wilsey on behalf of LME wrote to Kevin Deming on behalf of Lakeville Motor Express, and immediately canceled the cartage agreement between LME and Lakeville Motor Express.

104. Shortly thereafter, on or about November 19, 2016, Lakeville Motor Express ceased operations and terminated all employees.

105. Yet by no later than November 21, 2016, Kevin Deming had an LME email address.

106. And on or about November 27, 2016, Roger Wilsey purported to officially hire Kevin Deming at LME as a consultant, to be paid \$1650 per week. Deming testified at Lakeville Motor Express' Rule 341 meeting of creditors in February 2017 that to earn his "consulting" fee, he worked approximately 3 to 6 hours a week for LME.

107. At the time the Wilseys hired Kevin Deming at LME, they knew that Lakeville Motor Express had ceased operations, and that such cessation had occurred just over a year after the Wilseys completed their sale of Lakeville Transportation and Wren Corporation and Lakeville Motor Express to Kevin Deming.

- I. Finish Line Express is formed and begins to take over the work of Lakeville Motor Express.

108. Finish Line Express was formed in May 2016, months before Lakeville Motor Express ceased operations. Finish Line was formed and owned by Travis Hoeschen and Michael Sanford and their wives. Travis Hoeschen and Michael Sanford both worked for Lakeville Motor Express and LME.

109. Travis Hoeschen had been employed by Lakeville Motor Express from no later than 1999 until approximately August 2016. While employed at Lakeville Motor Express, he rose to the level of vice president of operations, a position he held into August 2016. Then in approximately August 2016, Travis Hoeschen became employed by LME as an operations manager. Travis Hoeschen continued to be employed by LME as an operations manager even after he formed and began operating Finish Line Express in May 2016, into at least January 2017.

110. At the same time Travis Hoeschen was employed by Lakeville Motor Express as its vice president of operations, and by LME as an operations manager, Hoeschen was also an owner and officer of Finish Line Express.

111. Similarly, Michael Sanford was employed by LME since no later than December 2012, and continued to be employed by LME into at least December 2016 as its executive vice president. Sanford had also been employed by Lakeville Motor Express, at least until December 2012.

112. At the same time Michael Sanford was employed by LME as its executive vice president, he was also an owner and officer of Finish Line Express.

113. In July 2016, LME entered into a cartage agreement with Finish Line Express, which cartage agreement contained substantially the same terms as LME had previously agreed to with Lakeville Motor Express in their 2014 cartage agreement. Thus, under this cartage agreement, LME was contracting to have Finish Line Express pick up and deliver certain freight on behalf of LME. Roger Wilsey signed the agreement on behalf of LME, and Jennifer Hoeschen (Travis Hoeschen's wife) signed the agreement on behalf of Finish Line Express as its chief executive officer.

114. Yet by email dated July 15, 2016, Lakeville Motor Express' purported president, Kevin Deming, sent an email to Travis Hoeschen at Hoeschen's Lakeville Motor Express email address asking him to review a legal bill from Jackson Lewis since Hoeschen had been involved with the matter for which the billing was sent.

115. Subsequent to Finish Line Express' formation in May 2016, employees of Finish Line Express hauled freight for customers of Lakeville Motor Express and represented to such customers that they were hauling freight for Lakeville Motor Express. Kevin Deming, who at the time was the owner and president of Lakeville Motor Express, was aware of this but took no legal action to prevent it.

116. Similarly, subsequent to Finish Line Express' formation and after Lakeville Motor Express had ceased operations in November 2016, Finish Line Express used bills of lading which identified Lakeville Motor Express as the carrier.

117. Then on August 1, 2016, Wren Equipment entered into a vehicle leasing agreement with Finish Line Express, under which Finish Line Express leased from Wren Equipment certain vehicles, including truck tractors and trailers. Roger Wilsey signed the agreement on behalf of Wren Equipment and Travis Hoeschen signed the agreement on behalf of Finish Line Express as its president.

118. The August 2016 vehicle leasing agreement between Wren Equipment and Finish Line Express included an exhibit identifying the vehicles, including by vehicle identification number, being leased to Finish Line Express under the agreement. Every one of the fourteen listed vehicles had been leased by Wren Equipment to Lakeville Motor Express under the substantially identical vehicle leasing agreement between

Wren Equipment and Lakeville Motor Express. Yet at the time this agreement was entered, Lakeville Motor Express was still in business.

119. Indeed, Lakeville's logo and/or name appeared on trucks and/or trailers used by Finish Line Express.

120. Finish Line Express also employed a number of persons, mostly managers and supervisory employees, who were previously employed by Lakeville Motor Express. Upon information and belief, most of the managers and supervisory employees of Lakeville Motor Express began to work at Finish Line Express almost immediately after Lakeville Motor Express went out of business.

121. Finish Line Express drivers also use cell phones that were previously used by Lakeville Motor Express drivers.

122. Upon information and belief, Finish Line Express also serves many of the same customers over many of the same routes as had been handled by Lakeville Motor Express until it went out of business.

123. LME admitted that Lakeville Motor Express operated as its agent until it went out of business, at which point LME admits that it began using Finish Line Express as its new agent to service the Minneapolis/St. Paul region. In particular, Karen Vanney of LME stated as follows in a December 2016 email:

In January 2015 the corporate operation for Lakeville Motor Express were spun off. The corporate entity became LME Inc. Lakeville Motor Express became an agent for LME Inc. servicing the Twin Cities. In August 2015, Lakeville Motor Express was sold to an outside party. After trying to make a go of it for more than a year that outside party decided to close the doors on Lakeville Motor Express.

LME Inc. had to find another agent to service the Twin Cities and did so.

LME Inc. is not closed and had no intention of doing so. Please see our website at lme4me.com

Karen

124. Karen Vanney then forwarded that email to Kevin Deming of Lakeville Motor Express. In response, Deming wrote:

Karen,

This is great, I am going to use this in the future if I need to [sic]

You were accurate, to the point and clear on the explanation!

Thank you,

Hope you had a good week end!

125. The “agent” LME was fortunate enough to find to replace Lakeville Motor Express was Finish Line Express, which was formed months before Lakeville Motor Express went out of business, and which was formed by former employees of Lakeville Motor Express and current employees of LME.

126. Indeed, and as noted above, LME and Wren Equipment had already entered into the respective cartage and vehicle leasing agreements with Finish Line Express months before Lakeville Motor Express went out of business.

127. Karen Vanney had also been employed by Wren Corp and Lakeville Motor Express by no later than 2009. Lakeville Motor Express represented that it employed Karen Vanney full-time in 2014, but LME represented that it employed Karen Vanney full-time in 2015 and 2016. However, in 2014, 2015 and 2016, Karen Vanney managed the finances of Lakeville Motor Express. Indeed, even while Karen Vanney was employed as a vice president of finance for LME, she was in charge of the finances for Lakeville Motor Express.

**COUNT I – AGAINST LAKEVILLE TRANSPORTATION  
AND WREN CORPORATION FOR WITHDRAWAL LIABILITY**

128. Plaintiffs hereby reallege and incorporate each and every allegation made in paragraphs 1 through 127 of this Complaint as though fully set forth herein.

129. On or about November 19, 2016, Wren Corporation directly or indirectly owned at least 80% of the total combined voting power of all classes of outstanding stock entitled to vote or at least 80% of the total value of outstanding shares of all classes of stock of Lakeville Motor Express.

130. On or about November 19, 2016, Lakeville Transportation directly or indirectly owned at least 80% of the total combined voting power of all classes of outstanding stock entitled to vote or at least 80% of the total value of outstanding shares of all classes of stock of Wren Corporation.

131. On or about November 19, 2016, Lakeville Transportation, Wren Corporation and Lakeville Motor Express were a group of trades or businesses under common control (the “Lakeville Controlled Group”) and therefore constituted a single employer within the meaning of 29 U.S.C. § 1301(b)(1) and the regulations promulgated thereunder.

132. The Lakeville Controlled Group is the “employer” for purposes of the determination and assessment of withdrawal liability under Title IV of ERISA.

133. During all relevant times, Lakeville Motor Express was bound by collective bargaining agreements with certain Teamsters local unions under which Lakeville Motor Express was required to make contributions to the Pension Fund on behalf of certain of its employees.

134. The Pension Fund determined that on or about November 19, 2016, the Lakeville Controlled Group permanently ceased to have an obligation to contribute to the Pension Fund and/or permanently ceased all covered operations, thereby effecting a “complete withdrawal” from the Pension Fund within the meaning of 29 U.S.C. § 1383.

135. As a result of this complete withdrawal, the Pension Fund determined that the Lakeville Controlled Group incurred joint and several withdrawal liability to the Pension Fund in the principal amount of \$90,092,302.70, as determined under 29 U.S.C. § 1381(b).

136. By no later than January 26, 2017, the Lakeville Controlled Group, through both Lakeville Motor Express and Lakeville Transportation, received a notice and demand for payment of the withdrawal liability dated January 18, 2017, and issued by the Pension Fund in accordance with 29 U.S.C. §§ 1382(2) and 1399(b)(1). The notice demanded full payment of the entire amount of the withdrawal liability by February 1, 2017, pursuant to 29 U.S.C. § 1399(c)(5)(B), and Appendix E, § 5(e)(2) of the Pension Fund’s Plan Document. The amount demanded was \$90,092,302.70, the balance owed at that time on the withdrawal liability.

137. The Lakeville Controlled Group neither requested review nor initiated arbitration pursuant to 29 U.S.C. §§ 1399(b)(2)(A) and 1401(a)(1). Consequently, the amounts demanded by the Pension Fund are due and owing pursuant to 29 U.S.C. § 1401(b)(1).

138. On January 20, 2017, Lakeville Motor Express filed a chapter 7 bankruptcy proceeding in the United States Bankruptcy Court for the District of Minnesota. That bankruptcy action is still proceeding.

139. The Lakeville Controlled Group failed to make the withdrawal liability payment to the Pension Fund.

140. Lakeville Transportation and Wren Corporation, as members of the Lakeville Controlled Group, are jointly and severally liable to the Pension Fund for the withdrawal liability.

**WHEREFORE**, Plaintiffs request the following relief:

(a) A judgment against Lakeville Transportation and Wren Corporation, jointly and severally, and on behalf of Plaintiffs Pension Fund and Arthur H. Bunte, Jr., as Trustee, pursuant to sections 502(g)(2) and 4301(b) of ERISA, 29 U.S.C. §§ 1132(g)(2) and 1451(b), for—

(i) the past due withdrawal liability payment in the amount of \$90,092,302.70;

(ii) interest computed and charged at an annualized interest rate equal to two percent (2%) plus the prime interest rate established by JPMorgan Chase Bank, NA for the fifteenth (15th) day of the month for which interest is charged;

(iii) an amount equal to the greater of interest on the past due withdrawal liability or liquidated damages of 20% of the past due withdrawal liability; and

(iv) attorney's fees and costs.

(b) Post-judgment interest computed and charged on the entire judgment at an annualized interest rate equal to two percent (2%) plus the prime interest rate established by JPMorgan Chase Bank, NA for the fifteenth (15th) day of the month for which interest is charged, compounded annually; and

(c) For such further or different relief as this Court may deem proper and just.

**COUNT II – AGAINST SUMMIT RENOVATION AND DESIGN,  
LME, WREN EQUIPMENT, TERMINAL PROPERTIES,  
SUPERIOR PROPERTIES MANAGEMENT, WREN ENTERPRISES,  
R&L CARTAGE PROPERTIES, LAKEVILLE LOGISTICS, IOWA TERMINAL  
PROPERTIES, ROCK ISLAND PROPERTIES, JMW PROPERTIES,  
OMAHA PROPERTIES, AND TURK TRUST FOR WITHDRAWAL LIABILITY**

141. Plaintiffs hereby reallege and incorporate each and every allegation made in paragraphs 1 through 140 of this Complaint as though fully set forth herein.

142. As noted in paragraphs 48 and 49 above, on November 30, 2009, Roger Wilsey and Shari Taylor Wilsey collectively owned at least at least 80% of the total combined voting power of all classes of outstanding stock entitled to vote or at least 80% of the total value of outstanding shares of all classes of stock of Lakeville Transportation and Summit Renovation and Design. Furthermore, upon information and belief, since no later than November 30, 2009, Roger Wilsey and Shari Taylor Wilsey collectively owned at least 80% of the total combined voting power of all classes of outstanding stock entitled to vote or at least 80% of the total value of outstanding shares of all classes of stock of Lakeville Logistics.

143. In turn, on November 30, 2009, Lakeville Transportation directly or indirectly owned at least 80% of the total combined voting power of all classes of outstanding stock entitled to vote or at least 80% of the total value of outstanding shares of all classes of stock of Wren Corporation and Lakeville Motor Express.

144. Also in turn, on November 30, 2009, Summit Renovation and Design directly or indirectly owned at least 80% of the total combined voting power of all classes of outstanding stock entitled to vote, at least 80% of the total value of outstanding shares of all classes of stock, or at least 80% of the membership interest or 80% of the profits interest or capital interest of LME (and LME's wholly owned

subsidiaries H&B Cartage; Haynes Express; Kansas City Cartage; R&L Cartage; and Reynolds Cartage); Wren Equipment; Terminal Properties; Superior Properties Management; Wren Enterprises; R&L Cartage Properties; Iowa Terminal Properties; Rock Island Properties; JMW Properties; and Omaha Properties.

145. Thus, on November 30, 2009, Summit Renovation and Design; Lakeville Logistics, LME (and LME's wholly owned subsidiaries H&B Cartage; Haynes Express; Kansas City Cartage; R&L Cartage and Reynolds Cartage); Wren Equipment; Terminal Properties; Superior Properties Management; Wren Enterprises; R&L Cartage Properties; Iowa Terminal Properties; Rock Island Properties; JMW Properties; and Omaha Properties were also trades or businesses under common control with, and members of, the Lakeville Controlled Group.

146. As noted in paragraph 50 above and discussed more thoroughly in paragraphs 51-55 above, at some point subsequent to November 30, 2009, but prior to December 18, 2009, the Wilseys changed the ownership of Summit Renovation and Design, such that Summit Renovation and Design; LME (and LME's wholly owned subsidiaries H&B Cartage; Haynes Express; Kansas City Cartage; R&L Cartage; and Reynolds Cartage); Wren Equipment; Terminal Properties; Superior Properties Management; Wren Enterprises; R&L Cartage Properties; Iowa Terminal Properties; Rock Island Properties; JMW Properties; and Omaha Properties ceased to be under common control with, and members of, the Lakeville Controlled Group.

147. As noted in paragraph 56 above and discussed in more detail in paragraph 57 above, on or about December 21, 2009, the Wilseys purportedly sold 25% of their stock in Lakeville Transportation to Kevin Deming.

148. And as noted in paragraph 87 above and discussed in more detail in paragraphs 88 through 92 above, in July 2015, the Wilseys purportedly sold their remaining 75% stock ownership in Lakeville Transportation to Kevin Deming.

149. In 2015, Roger Wilsey and/or Shari Taylor Wilsey formed Turk Trust. Upon information and belief, the Wilseys directly owned at at least 80% of the membership interest or 80% of the profits interest or capital interest of Turk Trust from no later than November 2015 through at least the November 19, 2016 date on which Lakeville Motor Express effected its complete withdrawal from the Pension Fund.

150. From before the November 19, 2016 date on which Lakeville Motor Express effected its complete withdrawal from the Pension Fund, and continuing thereafter, Turk Trust was engaged in the business of leasing commercial property to multiple commercial tenants, and renegotiating leases in the role of the lessor.

151. Regardless of when the Lakeville Motor Express Purchase Agreement became effective, a principal purpose behind the Wilseys transferring 51% of the stock of Summit Renovation and Design to 6 of their 7 children, and the Wilseys' purported transfers of 25% and then the remaining 75% of Lakeville Transportation was to help Summit Renovation and Design; LME (and LME's wholly owned subsidiaries H&B Cartage; Haynes Express; Kansas City Cartage; R&L Cartage and Reynolds Cartage); Wren Equipment; Terminal Properties; Superior Properties Management; Wren Enterprises; R&L Cartage Properties; Lakeville Logistics; Iowa Terminal Properties; Rock Island Properties; JMW Properties; Omaha Properties; and Turk Trust evade or avoid the withdrawal liability that would ultimately be owed by those entities as

members of the Lakeville Controlled Group with Lakeville Transportation, Wren Corporation and Lakeville Motor Express.

152. Pursuant to 29 U.S.C. § 1392(c), the ownership transfers referenced in paragraph 151 above may be disregarded in determining and collecting the withdrawal liability owed by Summit Renovation and Design; LME; Wren Equipment; Terminal Properties; Superior Properties Management; Wren Enterprises; R&L Cartage Properties; Lakeville Logistics; Iowa Terminal Properties; Rock Island Properties; JMW Properties; Omaha Properties; and Turk Trust.

153. Therefore, on the November 19, 2016 date of Lakeville Motor Express' complete withdrawal from the Pension Fund, Summit Renovation and Design; LME; Wren Equipment; Terminal Properties; Superior Properties Management; Wren Enterprises; R&L Cartage Properties; Lakeville Logistics; Iowa Terminal Properties; Rock Island Properties; JMW Properties; Omaha Properties; and Turk Trust are deemed to have been trades or businesses under common control with the Lakeville Controlled Group, which also included as members Lakeville Transportation, Wren Corporation and Lakeville Motor Express.

154. By no later than October 31, 2017, Summit Renovation and Design; LME; Wren Equipment; Terminal Properties; Superior Properties Management; Wren Enterprises; R&L Cartage Properties; Lakeville Logistics; Iowa Terminal Properties; Rock Island Properties; JMW Properties; Omaha Properties; and Turk Trust had actual notice of the withdrawal liability owed by Lakeville Motor Express, as well as the notice and demand for payment of withdrawal liability issued by the Pension Fund to Lakeville Motor Express, since: a) the withdrawal liability was referenced in the Pension Fund's

motion for a 2004 examination in the Lakeville Motor Express bankruptcy case which was received by LME, Wren Equipment, Roger Wilsey and Shari Taylor Wilsey prior to October 31, 2017, b) since the notice and demand for payment of withdrawal liability was received by counsel for LME, Wren Equipment, Roger Wilsey and Shari Taylor Wilsey on October 31, 2017, c) since upon information and belief Roger Wilsey and/or Shari Taylor Wilsey was an officer of each of the aforementioned entities, i.e., Summit Renovation and Design; LME; Wren Equipment; Terminal Properties; Superior Properties Management; Wren Enterprises; R&L Cartage Properties; Lakeville Logistics; Iowa Terminal Properties; Rock Island Properties; JMW Properties; Omaha Properties; and Turk Trust; and d) since upon information and belief, Roger Wilsey and/or Shari Taylor Wilsey were in possession of the Pension Fund's notice and demand for payment of withdrawal liability issued with respect to Lakeville Transportation and Lakeville Motor Express even prior to October 31, 2017.

155. Moreover, Roger Wilsey was well aware of the concept of withdrawal liability. More specifically, Roger Wilsey was an officer of Indianhead Truck Line, Inc. when that company effected a complete withdrawal from the Pension Fund in 1997 and Roger Wilsey communicated with the Pension Fund concerning that liability. Furthermore, as discussed above, Roger Wilsey had discussions with Kevin Deming concerning the prospect of Lakeville Motor Express' contingent withdrawal liability to the Pension Fund.

**WHEREFORE**, Plaintiffs request the following relief:

(a) A judgment against Summit Renovation and Design, LME, Wren Equipment, Terminal Properties, Superior Properties Management, Wren Enterprises,

R&L Cartage Properties, Lakeville Logistics, Iowa Terminal Properties, Rock Island Properties, JMW Properties, Omaha Properties and Turk Trust, jointly and severally, and on behalf of Plaintiffs Pension Fund and Arthur H. Bunte, Jr., as Trustee, pursuant to sections 502(g)(2) and 4301(b) of ERISA, 29 U.S.C. §§ 1132(g)(2) and 1451(b), for—

(i) the past due withdrawal liability payment in the amount of \$90,092,302.70;

(ii) interest computed and charged at an annualized interest rate equal to two percent (2%) plus the prime interest rate established by JPMorgan Chase Bank, NA for the fifteenth (15th) day of the month for which interest is charged;

(iii) an amount equal to the greater of interest on the past due withdrawal liability or liquidated damages of 20% of the past due withdrawal liability; and

(iv) attorney's fees and costs.

(b) Post-judgment interest computed and charged on the entire judgment at an annualized interest rate equal to two percent (2%) plus the prime interest rate established by JPMorgan Chase Bank, NA for the fifteenth (15th) day of the month for which interest is charged, compounded annually; and

(c) For such further or different relief as this Court may deem proper and just.

**COUNT III – AGAINST SUMMIT RENOVATION AND DESIGN,  
LME, WREN EQUIPMENT, TERMINAL PROPERTIES,  
SUPERIOR PROPERTIES MANAGEMENT, WREN ENTERPRISES,  
R&L CARTAGE PROPERTIES, LAKEVILLE LOGISTICS,  
IOWA TERMINAL PROPERTIES, ROCK ISLAND PROPERTIES,  
JMW PROPERTIES, OMAHA PROPERTIES, ROGER WILSEY,  
SHARI TAYLOR WILSEY AND FINISH LINE EXPRESS AS THE  
ALTER EGOS OF LAKEVILLE MOTOR EXPRESS**

156. Plaintiffs hereby reallege and incorporate each and every allegation made in paragraphs 1 through 155 of this Complaint as though fully set forth herein.

157. Lakeville Motor Express owes the Pension Fund and the Health Fund delinquent contributions in the principal amounts of \$273,600.00 and \$301,687.10, respectively, based upon work history reported to the Funds by Lakeville Motor Express.

158. Based upon the facts set forth in paragraphs 34 through 47 and 86 above, from the moment the Wilseys used Lakeville Transportation and Summit Renovation and Design to purchase all of the entity Defendants (other than Turk Trust and Finish Line Express), the Wilseys treated the seemingly separate entities as if they were just one, larger entity, including by failing to apportion the overall purchase price among the various entity Defendants, and by cross-collateralizing the entity Defendants' financial obligations, and by agreeing to make various companies liable for the debts of purportedly unrelated companies.

159. Based upon the facts set forth in paragraphs 93 through 107, the Wilseys dominated Lakeville Motor Express, including even after they purportedly had ceded all control and ownership of the company to Kevin Deming. Indeed, even after Kevin Deming became the sole owner and chief executive officer of Lakeville Motor Express, he emailed two high level employees at LME (owned and controlled by the Wilseys) and explained to them how Deming was trying to satisfy Roger Wilsey's desire to try to have LME and Lakeville Motor Express be separate. Moreover, Kevin Deming had little to no knowledge about Lakeville Motor Express' operations or finances.

160. And the Wilseys were also causing LME to purportedly loan Lakeville Motor Express money right before Lakeville Motor Express went out of business, although LME provided funds to Lakeville Motor Express even prior to any purported

loan agreements being entered, and in amounts exceeding what was otherwise provided for in the purported loan agreements.

161. The above facts demonstrate that all of the above Defendants constituted a single, fractionalized trucking company combining trucking operations with truck tractor and trailer ownership, truck tractor and trailer maintenance and leasing, and also truck terminal ownership and leasing. Moreover, as demonstrated above, all of the above Defendants were owned and/or controlled by the Wilseys.

162. Indeed, and as discussed above, particularly in paragraphs 58 through 76, the Wilseys used and manipulated LME to capitalize on the name Lakeville Motor Express, including by changing Superior Cartage's name to LME, forcing Lakeville Motor Express to transfer its trademark "LME" to LME, and by forcing Lakeville Motor Express to pull out of the Reliance Network and then substituting LME in its place.

163. And the Wilseys then had LME capitalize upon the good will built up and established by Lakeville Motor Express, which had always been referred to as "LME," by using the name "LME," having LME take Lakeville Motor Express' place in the Reliance Network, and then effectively shutting Lakeville Motor Express down.

164. Also, as demonstrated above, many of these companies, including LME, Wren Equipment, Terminal Properties and JMW Properties listed as their business address the same 500 West County Road D, New Brighton, Minnesota business address as did Lakeville Motor Express, Lakeville Transportation and Wren Corporation.

165. And Lakeville Motor Express did not even maintain its own website but instead could be accessed via a drop down bar on LME's website.

166. Indeed, as discussed above, Roger Wilsey and Shari Taylor Wilsey were the ultimate owners of LME and Wren Equipment, and yet they allowed officers of LME to form and then operate Finish Line Express, then caused LME to enter into agreements with Finish Line Express that effectively terminated LME's purported similar agreements with Lakeville Motor Express, and caused LME to enter into such agreements with Finish Line Express even before the contracts between LME and Lakeville Motor Express had expired or were terminated.

167. Thus, from the moment Finish Line Express was formed until the moment Lakeville Motor Express shut its doors, the operations of Finish Line Express were indistinguishable from the operations of Lakeville Motor Express, as discussed in more detail above in paragraphs 108 through 127.

168. Moreover, in addition to having owned and/or controlled and having manipulated the operations of the various named Defendants in this Count, along with Lakeville Motor Express, Lakeville Transportation and Wren Equipment, the Wilseys upon information and belief caused various of such Defendants to remit to them salaries and/or distributions well in excess of what could be deemed reasonable, particularly in light of the Wilseys' knowledge of the ultimate liability that would be owed to the Pension Fund upon Lakeville Motor Express' complete withdrawal from the Pension Fund, and including amounts the Wilseys received from, upon information and belief, LME, Wren Equipment, Rock Island Properties, Iowa Terminal Properties, Omaha Properties, Wren Enterprises and Terminal Properties, and including but not limited to amounts the Wilseys received after the sale of real estate referenced in paragraphs 83 through 86 above.

169. In addition, the State of Minnesota, Office of Administrative Hearings for the Department of Labor and Industry (“Minnesota DOL”) determined that LME, Wren Equipment, Roger Wilsey, Shari Taylor Wilsey and Finish Line Express were liable for Lakeville Motor Express’ unpaid wages to its employees. More specifically, the Minnesota DOL determined that: a) LME (f/k/a Superior Cartage), Wren Equipment and Finish Line Express had all failed to follow corporate or limited liability company formalities, b) LME, Wren Equipment and Lakeville Motor Express appeared to have acted in concert with, and were indistinguishable from, one another, and c) Finish Line Express appeared to have operated in concert with, and was indistinguishable from, LME (f/k/a Superior Cartage) and Lakeville Motor Express.

170. The Minnesota DOL also found that in addition to managers and non-union employees, more than 25 other persons worked for at least two of the following three companies between June and December 2016: Lakeville Motor Express, LME and Finish Line Express.

171. Accordingly, the Wilseys ignored the separateness between themselves, Summit Renovation and Design, LME, Wren Equipment, Terminal Properties, Superior Properties Management, Wren Enterprises, R&L Cartage Properties, Lakeville Logistics, Iowa Terminal Properties, Rock Island Properties, JMW Properties, Omaha Properties, and Finish Line Express, and failed to operate the aforementioned companies as distinct entities, instead operating the companies as mere extensions of themselves and as a single, fractionalized operation.

172. Therefore, Roger Wilsey, Shari Taylor Wilsey, Summit Renovation and Design, LME, Wren Equipment, Terminal Properties, Superior Properties Management,

Wren Enterprises, R&L Cartage Properties, Lakeville Logistics, Iowa Terminal Properties, Rock Island Properties, JMW Properties, Omaha Properties, and Finish Line Express are all alter egos of one another as well as alter egos of Lakeville Motor Express.

**WHEREFORE**, Plaintiffs request the following relief:

(a) A judgment against Summit Renovation and Design, LME, Wren Equipment, Terminal Properties, Superior Properties Management, Wren Enterprises, R&L Cartage Properties, Lakeville Logistics, Iowa Terminal Properties, Rock Island Properties, JMW Properties, Omaha Properties, Roger Wilsey, Shari Taylor Wilsey, and Finish Line Express and on behalf of Plaintiffs, jointly and severally, pursuant to sections 502(g)(2) and 4301(b) of ERISA, 29 U.S.C. §§ 1132(g)(2) and 1451(b), for—

(i) the past due withdrawal liability payment in the amount of \$90,092,302.70;

(ii) interest computed and charged at an annualized interest rate equal to two percent (2%) plus the prime interest rate established by JPMorgan Chase Bank, NA for the fifteenth (15th) day of the month for which interest is charged;

(iii) an amount equal to the greater of interest on the past due withdrawal liability or liquidated damages of 20% of the past due withdrawal liability; and

(iv) the unpaid pension and health and welfare contributions owed to the Funds;

(v) interest on the unpaid contributions computed and charged at the greater of (a) an annualized interest rate equal to two percent (2%) plus the prime

interest rate established by JPMorgan Chase Bank, NA for the fifteenth (15th) day of the month for which the interest is charged, or (b) an annualized interest rate of 7.5%;

(vi) an amount equal to the greater of interest on the unpaid contributions or liquidated damages of 20% of the unpaid contributions; an

(vii) attorney's fees and costs.

(b) Post-judgment interest computed and charged on the entire judgment at an annualized interest rate equal to two percent (2%) plus the prime interest rate established by JPMorgan Chase Bank, NA for the fifteenth (15th) day of the month for which interest is charged, compounded annually; and

(c) For such further or different relief as this Court may deem proper and just.

**COUNT IV – AGAINST FINISH LINE EXPRESS AS THE  
SUCCESSOR TO LAKEVILLE MOTOR EXPRESS**

173. Plaintiffs hereby reallege and incorporate each and every allegation made in paragraphs 1 through 172 of this Complaint as though fully set forth herein.

174. As noted in paragraph 108, Finish Line Express was formed shortly before Lakeville Motor Express ceased operating. And Finish Line Express performed the same type of truck hauling that Lakeville Motor Express had performed.

175. As set forth above in paragraph 116, after Lakeville Motor Express ceased operating, Finish Line Express hauled freight for customers using bills of lading that identified Lakeville Motor Express as the carrier. Even prior to that, Finish Line Express hauled freight for customers of Lakeville Motor Express and held itself out as Lakeville Motor Express. And subsequent to Lakeville Motor Express going out of business, upon information and belief, Finish Line Express hauled freight for many of the same customers that had previously been served by Lakeville Motor Express.

176. Most of the tractors and trailers Finish Line Express used were previously used by Lakeville Motor Express, and even carried the Lakeville Motor Express name and/or logo. And Finish Line Express drivers also used cell phones which were previously used by Lakeville Motor Express' drivers.

177. Many if not most of Lakeville Motor Express' supervisory employees and managers went on to become supervisory employees and managers at Finish Line Express.

178. One of LME's officers even admitted that Lakeville Motor Express operated as LME's agent until it went out of business, at which point LME admits that it began using Finish Line Express as its new agent to service the Minneapolis/St. Paul region.

179. Moreover, two of Finish Line Express' owners and officers, Michael Sanford and Travis Hoeschen, were both previously employed by Lakeville Motor Express and LME. Indeed, Travis Hoeschen was the vice president of operations for Lakeville Motor Express in August 2016, at the very same time as he was an owner of, and employed as an officer by, Finish Line Express, and knew before they even formed Finish Line Express that Lakeville Motor Express had obligations to the Funds, including the obligation to pay contributions to the Funds, and the contingent obligation to pay withdrawal liability to the Pension Fund upon Lakeville Motor Express' cessation of operations.

180. As the successor to Lakeville Motor Express, Finish Line Express is liable for all amounts owed by Lakeville Motor Express to the Funds, including the delinquent contributions owed to the Funds and the withdrawal liability owed to the Pension Fund.

**WHEREFORE**, Plaintiffs request the following relief:

(a) A judgment against Finish Line Express, and on behalf of Plaintiffs, pursuant to sections 502(g)(2) and 4301(b) of ERISA, 29 U.S.C. §§ 1132(g)(2) and 1451(b), for—

(i) the past due withdrawal liability payment in the amount of \$90,092,302.70;

(ii) interest computed and charged at an annualized interest rate equal to two percent (2%) plus the prime interest rate established by JPMorgan Chase Bank, NA for the fifteenth (15th) day of the month for which interest is charged;

(iii) an amount equal to the greater of interest on the past due withdrawal liability or liquidated damages of 20% of the past due withdrawal liability; and

(iv) the unpaid pension and health and welfare contributions owed to the Funds;

(v) interest on the unpaid contributions computed and charged at the greater of (a) an annualized interest rate equal to two percent (2%) plus the prime interest rate established by JPMorgan Chase Bank, NA for the fifteenth (15th) day of the month for which the interest is charged, or (b) an annualized interest rate of 7.5%;

(vi) an amount equal to the greater of interest on the unpaid contributions or liquidated damages of 20% of the unpaid contributions; and

(vii) attorney's fees and costs.

(b) Post-judgment interest computed and charged on the entire judgment at an annualized interest rate equal to two percent (2%) plus the prime interest rate

established by JPMorgan Chase Bank, NA for the fifteenth (15th) day of the month for which interest is charged, compounded annually; and

(c) For such further or different relief as this Court may deem proper and just.

**COUNT V – AGAINST ROGER WILSEY AND SHARI TAYLOR WILSEY  
FOR EVADING AND AVOIDING WITHDRAWAL LIABILITY**

181. Plaintiffs hereby reallege and incorporate each and every allegation made in paragraphs 1 through 180 of this Complaint as though fully set forth herein.

182. As set forth in paragraph 168 above, the Wilseys upon information and belief caused various of the Defendants in this case to remit to them salaries and/or distributions well in excess of what could be deemed reasonable, particularly in light of the Wilseys' knowledge of the ultimate liability that would be owed to the Pension Fund upon Lakeville Motor Express' complete withdrawal from the Pension Fund, including but perhaps not limited to amounts the Wilseys received from, upon information and belief, LME, Wren Equipment, Rock Island Properties, Iowa Terminal Properties, Omaha Properties, Wren Enterprises and Terminal Properties, including but not limited to amounts the Wilseys received after the sale of real estate referenced in paragraphs 83 through 86 above.

183. A principal purpose behind the Wilseys causing the aforementioned entities to make distributions to them was to evade and avoid the withdrawal liability that the Wilseys knew these entities would be obligated to pay to the Pension Fund. Such transactions were extensions of the Wilseys' earlier transactions pursuant to which they attempted to eliminate the entity Defendants (other than Finish Line Express) from the Lakeville Controlled Group.

184. Pursuant to 29 U.S.C. § 1392(c), the improper distributions in presently unknown amounts received by the Wilseys may be disregarded in determining and collecting the withdrawal liability owed by the Defendants in this case and improperly received by the Wilseys.

**WHEREFORE**, Plaintiffs request the following relief:

(a) A judgment against Roger Wilsey and Shari Taylor Wilsey, jointly and severally, and on behalf of the Pension Fund and Arthur H. Bunte, Jr., as Trustee, pursuant to sections 502(g)(2) and 4301(b) of ERISA, 29 U.S.C. §§ 1132(g)(2) and 1451(b), for—

(i) withdrawal liability in the amount of \$90,092,302.70 or the amounts improperly transferred to the Wilseys, whichever is less;

(ii) interest computed and charged at an annualized interest rate equal to two percent (2%) plus the prime interest rate established by JPMorgan Chase Bank, NA for the fifteenth (15th) day of the month for which interest is charged;

(iii) an amount equal to the greater of interest on the past due withdrawal liability or liquidated damages of 20% of the past due withdrawal liability; and

(iv) the unpaid contributions owed to the Funds;

(v) interest on the unpaid contributions computed and charged at the greater of (a) an annualized interest rate equal to two percent (2%) plus the prime interest rate established by JPMorgan Chase Bank, NA for the fifteenth (15th) day of the month for which the interest is charged, or (b) an annualized interest rate of 7.5%;

(vi) an amount equal to the greater of interest on the unpaid contributions or liquidated damages of 20% of the unpaid contributions; an

(vii) attorney's fees and costs.

(b) Post-judgment interest computed and charged on the entire judgment at an annualized interest rate equal to two percent (2%) plus the prime interest rate established by JPMorgan Chase Bank, NA for the fifteenth (15th) day of the month for which interest is charged, compounded annually; and

(c) For such further or different relief as this Court may deem proper and just.

Respectfully submitted,

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