## UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF INDIANA INDIANAPOLIS DIVISION

SPORTS TURF NORTHWEST, LLC,		Overhauser Law Offices LLC www.iniplaw.org www.overhauser.com
Plaintiff,	overhauser law offices	
V.	) Case No.: 1:21-cv-2183	
SA HEINEN LLC, GREENSGROOMER WORLDWIDE, INC., MJ GROUP CONSULTING, INC., and JOHN DOES	) ) ) )	
Defendants.	) )	
	)	

Provided by:

### **VERIFIED COMPLAINT FOR DAMAGES AND JURY TRIAL DEMAND**

Plaintiff Sports Turf Northwest, LLC ("Sports Turf" or "Plaintiff"), by counsel, brings this Complaint for Damages and Demand for Jury Trial against Defendants SA Heinen LLC, ("SA Heinen"); GreensGroomer WorldWide, Inc. ("GreensGroomer WorldWide, Inc."); MJ Group Consulting, Inc. ("MJ Group"); and John Does (collectively "Defendants"). In support of its Complaint, Sports Turf states and alleges as follows:

#### **FACTUAL ALLEGATIONS**

### **Parties and Jurisdiction**

- 1. Sports Turf is an Oregon limited liability company that maintains its principal place of business in Washington County, Oregon and transacts or has transacted business in the Southern District of Indiana and throughout the United States.
- 2. Michael Woelfel ("Woelfel") is an individual who resides in Maricopa County, Arizona, and is a member of Sports Turf.

- 3. Defendant SA Heinen along with GreensGroomer Worldwide, Inc. is a limited liability company that maintains its principal place of business and registered agent in Marion County, Indiana and transacts or has transacted business in the Southern District of Indiana and throughout the United States.
- 4. SA Heinen has registered Assumed Business Names of GreensGroomer WorldWide, GreensGroomer, and GreenZapr with the Indiana Secretary of State.
- 5. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§1331, 1337; 15 U.S.C. §§15, 26; and 15 U.S.C. § 45(a).
- 6. Venue is proper in this district pursuant to 28 U.S.C. §§ 15, 22, and 26 and pursuant to 28 U.S.C. § 1391 (b), (c), and (d) because at all times pertinent to this Complaint (a) Defendants transacted business in this district; (b) a substantial part of Sports Turf's claims occurred in this district; or (c) a substantial portion of the affected interstate trade and commerce described below has been carried out in this district.

### Commerce

- 7. The products at issue in this case are sold in interstate commerce, and the unlawful activities alleged in this Complaint have occurred in and have had a substantial effect upon interstate commerce.
- 8. At all times relevant to this Complaint, Defendants have maintained a substantial course of trade in or affecting commerce, as "commerce" is defined in Section 4 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 44.

### Facts In Support of Sports Turf's Claims

9. Sports Turf was officially organized in October 2012 to become an authorized OEM dealer/distributor/vendor for supplier GreensGroomer Worldwide Inc.

- 10. At all times relevant herein, SA Heinen and GreensGroomer Worldwide, Inc., manufactured commercial maintenance equipment for the artificial turf industry and natural turf (golf course) industry. GreensGroomer also manufactures the first ever UVC line of maintenance equipment that disinfects surfaces associated with various sports surfaces.
  - 11. GreensGroomer provides the drop shipping service for its dealership network.
- 12. Sports Turf was an authorized distributor for Defendants to distribute GreensGroomer products.
- 13. At all times pertinent, Defendants produced various products that facilitated artificial turf maintenance equipment, UVC disinfection equipment, and natural turf (golf course) maintenance equipment. Such products include but are not limited to 860 MiniZapr 18", 960 MiniZapr 36", 850 GreenZapr, 852 GreenZapr, 760 LitterKat Turf Sweeper, 926 Integrated Sports Turf Groomer, and 920 Groomer ("Products").
  - 14. Shawn A. Heinen ("Heinen") is the Owner and President of GreensGroomer.
  - 15. Alex Nagel ("Nagel") is Vice President of Sales for GreensGroomer.
- 16. In 2012, a dealer agreement was signed between GreensGroomer Worldwide, Inc. and Craig Prunty ("Prunty"), a member of Sports Turf, under Prunty's main business, All Oregon Landscaping ("All Oregon").
- 17. In October 2012, Sports Turf was officially organized and began conducting business with GreensGroomer Worldwide, Inc.
- 18. On or about April 23, 2018, Heinen informed Sports Turf that he could not find an agreement on file between Sports Turf and GreensGroomer Worldwide, Inc. Heinen advised that he did find a signed agreement between All Oregon and GreensGroomer Worldwide, Inc.

- 19. Heinen asked that a new agreement be signed between Sports Turf and GreensGroomer Worldwide, Inc. and provided an agreement to Sports Turf.
- 20. The next day, Woelfel asked Heinen if he could add additional language and terms to the agreement as Woelfel believed the original language was outdated. Heinen agreed that Woelfel could request changes to the contract.
- 21. Around this same time Heinen advised Woelfel that he planned to purchase GreensGroomer from Mike Davis.
- 22. On or about May 18th, 2018, Woelfel, on behalf of Sports Turf, and Heinen, on behalf of GreensGroomer Worldwide, Inc., entered into the new agreement ("Agreement"). A true and accurate copy of the Agreement is attached hereto as **Exhibit A**.
  - 23. Section K of the Agreement states, in relevant part:

"These Terms and Conditions will be deemed null and void and a new agreement will be negotiated in good faith with any change in ownership or executive leadership at GreensGroomer Worldwide."

- 24. On December 21, 2018. GreensGroomer Worldwide, Inc., sent a blast email with the subject: "New Management and Ownership." This email stated that effective January 1, 2019, Heinen would become the new Owner and President of the company and: "New company will be SA Heinen LLC d.b.a GreensGroomer."
- 25. Heinen completed the purchase of GreensGroomer Worldwide in 2019 (the "Acquisition").
- 26. After the Acquisition, Heinen began using the trade name "GreensGroomer" instead of "GreensGroomer WorldWide".
- 27. As a result of the Acquisition, the Agreement between Sports Turf and GreensGroomer expired on its own terms.

- 28. Woelfel attempted to negotiate a new contract between Sports Turf and Heinen, who was acting on behalf of GreensGroomer.
- 29. Heinen advised that he did not want a contract between the two entities and only wanted an "arrangement."
- 30. After the Acquisition, drop shipping for dealers continued. Sports Turf attempted to continue selling products on behalf of Defendants after the Agreement terminated.
- 31. However, in or around this time, GreensGroomer, Defendants and other third parties unknown at this time colluded in a bid rigging scheme to allocate consumers and create the illusion of competition.
- 32. On May 28, 2020, Defendants informed Sports Turf via e-mail that Defendants were reducing the amount taken off of the retail price by five hundred dollars (\$500), effectively increasing the price per unit for Sports Turf for the generator powered Model 860 UVC disinfecting MiniZapr by the same.
- 33. Defendants chose to increase the price because the COVID-19 pandemic created a very high demand for all UVC products.
- 34. Defendants ultimately benefited by an increased sales margin which provided it additional revenue.
- 35. Upon information and belief, Defendants did not change the price of the generator powered 860 MiniZapr for any other distributor.
- 36. This price increase reduced Sports Turf's margins from five hundred dollars (\$500) to zero dollars (\$0), effectively forcing Sports Turf to stop selling the Products as it would be unable to make any profit.

- 37. Defendants attempt to monopolize the market by requesting others to send in, or by creating, inaccurate or false bids.
- 38. By way of example and without limitation, on or around October 1, 2020, Nagel and or Sports Turf provided consumer William Douglas a quote for Products.
- 39. Nagel requested another service company quote William Douglas at a price higher than GreensGroomer for the required third quote.
- 40. On or around May 31, 2018, GreensGroomer, and other companies associated with or acting on behalf of GreensGroomer, submitted bids to Sweetwater County School District #1 in Wyoming in order to ensure GreensGroomer WorldWide won the bid.
- 41. GreensGroomer's winning bid for the Sweetwater County School District #1 was at full MSRP as a result of bid rigging, also known as cover or courtesy bidding.
- 42. On February 25, 2021, Heinen emailed Woelfel asking if Sports Turf would provide a quote to Saint Martin Senior High School in Louisiana, in an amount at least five hundred dollars (\$500) over GreensGroomer's quote stating: "I need you to come in at least \$500 over my pricing."
- 43. Shortly thereafter, after the second request to Sports Turf from Heinen to provide a quote to Saint Martin High School which Sports Turf declined to do Heinen then sent his third email to Sports Turf with the statement, "Disregard this second request. Got a friend to help."
- 44. Defendants have implemented a scheme to fix the prices or rig the bidding of products that disinfect artificial turf. GreensGroomer implemented this scheme nationwide.
- 45. This scheme denies Sports Turf an opportunity to earn future revenue in the field of artificial turf disinfection and/or Products.
- 46. This scheme denies consumers an opportunity to engage in free and open competition.

- 47. From December of 2020 to present, Defendants refused to provide Sports Turf with Products to sell.
- 48. Plaintiff was unable to make any profit or pay Defendants because Defendants restricted Sports Turf's access to products.

### **COUNT I – ILLEGAL RESTRAINT ON TRADE**

- 49. Sports Turf incorporates by reference their allegations in the proceeding paragraphs as if fully set forth herein.
- 50. Defendants have restrained trade by creating alias names and/or shell companies to ensure their bid is chosen.
- 51. Defendants have provided better product pricing to specific dealers without offering, presenting, and/or providing the same opportunity to Sports Turf.
- 52. Defendants have limited or reduced the production of Sports Turf's business contracts by manipulating the prices and bids which ensures Plaintiff's bids are not desirable.
- 53. Defendants have fixed, raised, maintained, or stabilized at an artificially high level the price paid by consumers for Products by participating in bid rigging.
- 54. Defendants have increased the price of merchandise by creating alias names and/or shell companies that drive up the price in the bid.
- 55. Defendants have engaged in one or more overt acts in furtherance of their unlawful acts. Defendants implemented the unlawful scheme by the following acts, among others:
  - a. agreeing, through the use of collusive fictitious and inflated bid prices and other terms of sale, to manipulate bids for Products for the purpose, and with the effect of, unreasonably restraining trade and commerce;
  - b. denying consumers the benefits of free and open competition;

- c. agreeing on the prices and other terms to be submitted in collusive, fictitious, and inflated bids for contracts for Products; and
- d. agreeing which company would supply the "winning" bid for a particular consumer.
- 56. Defendants' actions have prevented competition.
- 57. Defendants' unlawful conspiracy constitutes a per se violation of the Sherman Act, 15 U.S.C. § 1. Alternatively, their conduct violates the Sherman Act under a rule of reason analysis.
- 58. Various persons not named Defendants, participated as co-conspirators in the violations alleged, and performed acts and made statements in furtherance of that conspiracy.
  - 59. The aforesaid combination and conspiracy had the following affects, among others:
    - a. price competition among Defendants and their co-conspirators was restrained and suppressed;
    - b. prices paid by consumers were fixed, raised, maintained, or stabilized at artificially high levels; and
    - c. Sports Turf was deprived of the benefits of free and open competition.
- 60. Further, Defendants' actions have harmed Sports Turf, causing financial harm to its business or property in that it was circumvented from participating in a competitive market.
- 61. Defendants' actions have harmed the actual and potential competition in the above-described market.

# COUNT II – ATTEMPTED MONOPOLIZATION OF ARTIFICIAL TURF MAINTENANCE EQUIPMENT

62. Sports Turf incorporates by reference their allegations in the proceeding paragraphs as if fully set forth herein.

- 63. Defendants engaged in the anticompetitive conduct described herein, namely bid rigging and misrepresentation to consumers.
- 64. There is a dangerous probability that Defendants will succeed in obtaining a monopoly and harming competition in the artificial turf maintenance equipment market in violation of the Sherman Act, 15 U.S.C. § 2.
- As a direct and proximate result of Defendants' violations of the antitrust laws as alleged herein, (1) consumers have been deprived of the full benefits of competition in the relevant market; (2) Sports Turf has been injured by losing business in an amount to be determined at trial; and (3) Sports Turf suffered and is threatened with continued loss or damage to its business and property.
- 66. Sports Turf has no adequate remedy at law and Defendants' unlawful conduct will continue unless enjoined.

### **COUNT III – VIOLATIONS OF SECTION 5 OF THE FTC ACT**

- 67. Sports Turf incorporates by reference their allegations in the proceeding paragraphs as if fully set forth herein.
- 68. In numerous instances, in connection with providing bids to consumers, Defendants, or their employees or agents, have represented, expressly or by implication, that Defendants were providing accurate and honest bids to consumers.
- 69. The bids submitted to consumers were a product of collusion and misrepresentation.
  - 70. The bids submitted were created to deceive consumers.
- 71. The aforesaid combination and collusion, misrepresentation, and deception had the following affects, among others:

- a. price competition among Defendants and their co-conspirators was restrained and suppressed;
- b. prices paid by consumers were fixed, raised, maintained, or stabilized at artificially high levels;
- c. consumers were deprived of the benefits of free and open competition; and
- d. commerce was restrained and suppressed.
- 72. In numerous instances, Defendants charged consumers or caused consumers to be charged more than if Defendants did not misrepresent or collude while creating the bids.
- 73. The FTC Act, 15 U.S.C. § 45(a), prohibits unfair or deceptive acts or practices in or affecting commerce.
- 74. Misrepresentations or omissions of material fact constitute deceptive acts or practices prohibited by Section 45(a) of the FTC Act.
- 75. Consumers throughout the United States and Sports Turf have suffered, and continue to suffer, substantial monetary loss as a result of Defendants' unlawful acts and practices.

### **COUNT IV – INDIANA ANTITRUST LAWS**

- 76. Sports Turf incorporates by reference their allegations in the proceeding paragraphs as if fully set forth herein.
  - 77. Defendants entered into agreements with consumers.
- 78. These agreements were a result of a scheme that included bid rigging and deceptive acts.
- 79. The services provided for in the agreement involve commerce within the meaning of Indiana Code Section 24-1-2-1.

- 80. Sports Turf has suffered and will continue to suffer damages as a result of Defendants' restraint of trade.
- 81. By reason of the foregoing, Defendants have entered into agreements in restraint of trade in violation of Indiana Code §§ 24-1-2-1 et seq.

### **COUNT V – BREACH OF CONTRACT**

- 82. Sports Turf incorporates by reference their allegations in the proceeding paragraphs as if fully set forth herein.
- 83. Sports Turf and Defendant GreensGroomer Worldwide had a valid and enforceable written contract.
- 84. In the alternative, Sports Turf and GreensGroomer Worldwide had an oral agreement that Sports Turf would sell products on behalf of Defendants.
- 85. Sports Turf and Defendants' agreement also consisted of the understanding that Defendants would provide to Sports Turf the tools and products, and also forward leads necessary to make sales.
- 86. For some time, Defendants refused to provide Sports Turf with Products which prevent Sports Turf from selling Products to its customers or potential customers.
  - 87. Sports Turf was unable to make sales without these products.
- 88. Defendants also fielded direct call leads to themselves instead of forwarding those leads to distributors including Sports Turf.
- 89. Defendants' failure to provide Sports Turf with the tools and products constitute a material breach of their agreement.
- 90. Defendants' insistence of taking leads for itself instead of forwarding leads to Sports Turf constitutes a material breach of their agreement.

91. Sports Turf has suffered and will continue to suffer damages as a result of Defendants' breach of the Agreement.

### **COUNT VI – TORTIOUS INTERFERENCE WITH BUSINESS RELATIONSHIPS**

- 92. Sports Turf incorporates by reference their allegations in the proceeding paragraphs as if fully set forth herein.
- 93. Defendants knew that valid and potential business relationships existed between Sports Turf and consumers.
- 94. Defendants changed prices of Products after it knew that Sports Turf had given bids to consumers.
- 95. Defendants' change of prices prevented Sports Turf from carrying out quote requests and purchase orders.
- 96. Additionally, on or around April 22, 2021, Defendants removed Sports Turf's information from their website.
- 97. Defendants removed Sports Turf from Defendants' website in order to prevent current and potential consumers from working with Sports Turf.
  - 98. Such interference with Sports Turf's business relationships were unjustified.
- 99. Additionally, related to this ongoing dispute between the parties, Defendants have provided a collection agency with Sports Turf's customer information in order to interfere with Sports Turf's business relationships.
- 100. Defendants also advised the collection agency to serve Sports Turf's clients with collection agency notices.
- 101. Defendants' actions have been willful, malicious, and in conscious disregard of the rights and interests of Sports Turf thereby entitling Sports Turf to recover punitive damages.

102. As a direct and proximate result of Defendants' interference with Sports Turf's business relationships, Sports Turf suffered and will continue to suffer injury.

WHEREFORE, Sports Turf Northwest, LLC, by counsel, respectfully requests that this Court enter Judgment in favor of Sports Turf and against Defendants, in an amount sufficient to compensate Sports Turf for damages caused by Defendants' interference with business relationships, for pre- and post- judgment interests, for costs herein, and for all other just and proper relief.

Respectfully submitted,

s/William J. Brinkerhoff

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## **VERIFICATION**

I affirm, under the penalties of perjury, that the forgoing factual representations are true and accurate to the best of my knowledge and belief.

SPORTS TURF NORTHWEST, LLC

By: Mike Would A3B0461268F347A... Michael Woelfel

Title: Member| Sports Turf Northwest, LLC