

THE BOARD OF REGENTS OF THE
UNIVERSITY OF WISCONSIN SYSTEM

1860 Van Hise Hall
1220 Linden Drive
Madison, WI 53706,

Plaintiff,

v.

Money Judgments: 30301

THOMAS G. SONNLEITNER

2944 Pine Ridge Road
Oshkosh, WI 54904-8482,

RICHARD H. WELLS

820 Magellan Drive
Sarasota, FL 34243-1011,

Defendants.

SUMMONS

THE STATE OF WISCONSIN, to those named above as a defendant:

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

Within forty-five (45) days of receiving this summons, you must respond with a written answer, as that term is used in Chapter 802 of the Wisconsin Statutes, to the complaint. The Court may reject or disregard an answer that does not follow the requirements of the statutes. The answer must be sent or delivered to the Court,

whose address is Clerk of Circuit Court, Dane County Courthouse, 215 South Hamilton Street, Madison, Wisconsin 53703, and to plaintiff's attorney, Assistant Attorney General F. Mark Bromley, whose address is Wisconsin Department of Justice, 17 West Main Street, Madison, Wisconsin 53703. You may have an attorney help or represent you.

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

Dated this 18th day of January, 2017.

BRAD D. SCHIMEL
Wisconsin Attorney General
Electronically signed by,

F. Mark Bromley
F. MARK BROMLEY
Assistant Attorney General
State Bar #1018353

Attorneys for Attorneys for Plaintiff

Wisconsin Department of Justice
Post Office Box 7857
Madison, Wisconsin 53707-7857
(608) 264-6201
(608) 267-8906 (Fax)
bromleyfm@doj.state.wi.us

THE BOARD OF REGENTS OF THE
UNIVERSITY OF WISCONSIN SYSTEM
1860 Van Hise Hall
1220 Linden Drive
Madison, WI 53706,

Plaintiff,

v.

Money Judgments: 30301

THOMAS G. SONNLEITNER
2944 Pine Ridge Road
Oshkosh, WI 54904-8482,

RICHARD H. WELLS
820 Magellan Drive
Sarasota, FL 34243-1011,

Defendants.

COMPLAINT

Plaintiff, by Attorney General Brad D. Schimel and Assistant Attorney General F. Mark Bromley, for a complaint against the defendants shows:

1. This Court has jurisdiction over this matter pursuant to Wis. Stat. § 753.03.
2. Venue lies in this county pursuant to Wis. Stat. § 801.50, because the claim arose in Dane County.
3. Plaintiff is an agency of the sovereign State of Wisconsin created by

Wis. Stat. § 15.91. Its powers and duties are specified in Wis. Stat. § 36.11, and its responsibilities in Wis. Stat. § 36.09. Those powers and responsibilities include governance of the University of Wisconsin System.

4. Thomas G. Sonnleitner (“Sonnleitner”) is an adult resident of the State of Wisconsin residing at the captioned address. On information and belief, he is retired.
5. Richard H. Wells (“Wells”) is an adult resident of the State of Florida, residing at the captioned address. On information and belief, he is retired.
6. At the time of the transactions at issue in this case, Sonnleitner (and Wells, as to transfers before August 31, 2014) were employees of the University of Wisconsin System, working at the University of Wisconsin Oshkosh (“the University”).
7. Wells served as Chancellor of the University from October 1, 2010 until August 31, 2014.
8. Sonnleitner served as Vice Chancellor of Administrative Services at the University from 2000 to February 28, 2016.
9. Wells was Sonnleitner’s immediate supervisor during Wells’ tenure at the University.
10. The University of Wisconsin Oshkosh Foundation, Inc. (“the Foundation”) is a non-stock non-profit corporation, in which the University has no ownership interest.
11. The Foundation created and is the sole member of the following

entities, registered with the Wisconsin Department of Financial Institutions:

- a. UW-Oshkosh Foundation-Witzel, LLC, (“Witzel”), registered August 19, 2009;
 - b. UW Oshkosh Foundation Alumni Welcome and Conference Center, LLC, (“AWCC”) registered November 2, 2010;
 - c. UW-Oshkosh Foundation Hotel Project, LLC, (“Hotel Project”), registered November 17, 2011;
 - d. UW-Oshkosh Foundation Rosendale Biodigester, LLC, (“Rosendale”), registered September 1, 2011.
12. Sonnleitner and Wells encouraged and assisted the Foundation in establishing the listed limited liability companies for the purpose of engaging in ventures the University could not own or operate.
 13. The Foundation established Witzel to construct, own, and operate a biodigester at the University.
 14. The Foundation established AWCC to design and construct the Welcome Center at 625 Pearl Avenue, Oshkosh.
 15. The Foundation established the Hotel Project to participate and invest in the renovation of a hotel and its operation as a Best Western Hotel in Oshkosh.
 16. The Foundation established Rosendale to construct a biodigester that serves an 8,000 cow dairy at Rosendale, Wisconsin.
 17. Sonnleitner and Wells caused multiple transfers of funds from the University to the Foundation or its LLCs more than 6 years before the

date of this complaint. No claim is made with respect to those transfers.

Witzel Biodigester

18. Sonnleitner (and Wells, as to transfers before August 31, 2014) caused the transfer of University funds to the Foundation or Witzel for the Witzel project in the following amounts on the following dates:

- | | |
|--------------|-------------------|
| a. \$179,760 | June 15, 2012 |
| b. \$173,062 | June 15, 2012 |
| c. \$500,000 | June 20, 2012 |
| d. \$150,000 | June 20, 2012 |
| e. \$ 19,104 | December 31, 2012 |
| f. \$150,000 | April 10, 2013 |
| g. \$500,000 | April 15, 2013 |
| h. \$144,104 | June 25, 2013 |
| i. \$228,000 | March 31, 2014 |
| j. \$ 88,500 | October 31, 2014 |
| k. \$110,000 | April 6, 2015 |
| l. \$ 4,000 | October 31, 2015 |
| m. \$ 88,500 | October 2013 |

19. On June 6, 2012, Sonnleitner forgave a loan of \$289,362 that had been made on September 10, 2010.

20. The Foundation or Witzel has repaid part of the transferred funds, leaving a balance of \$1,811,925 that has not been recovered.

Rosendale Biodigester

21. Sonnleitner (and Wells, as to transfers before August 31, 2014) caused the transfer of University funds to the Foundation or Rosendale for the Rosendale project in the following amounts on the following dates:
- | | |
|----------------|-------------------|
| a. \$ 750,000 | February 8, 2012 |
| b. \$ 650,000 | December 17, 2012 |
| c. \$ 319,418 | January 7, 2013 |
| d. \$ 322,000 | June 27, 2013 |
| e. \$ 635,000 | May 28, 2014 |
| f. \$ 62,132 | June 24, 2014 |
| g. \$ 350,000 | December 31, 2014 |
| h. \$1,060,000 | June 22, 2015 |
22. The Foundation or Rosendale has repaid part of the transferred funds, leaving a balance of \$1,440,371 that has not been recovered.
23. BIOFerm USA, Inc. contracted to build the Rosendale facility for \$6,700,00.
24. On December 20, 2012, Sonnleitner agreed that the University would permit BIOFerm to charge an additional \$1,000,000 for operation of the Rosendale facility, to enable BIOFerm to approximate a 15% profit on the project. The sum of \$322,000 identified at Paragraph 21.d. was treated as an initial payment on that sum.
25. On October 13, 2014, Sonnleitner caused the University to enter into a lease agreement with the Foundation obligating the University to pay

\$700,000 per year for the use of Rosendale.

26. The Foundation granted First Business Bank a security interest in the University lease of Rosendale as collateral for the Foundation's debt to the Bank.
27. University payments required by the lease were prohibited by the Wisconsin Constitution, Article VIII, § 7 (2) (d).

Alumni Welcome and Conference Center

28. Sonnleitner (and Wells, as to transfers before August 31, 2014) caused the transfer of University funds to the Foundation or AWCC for the AWCC project in the following amounts on the following dates:
 - a. \$ 440,738 June 15, 2012
 - b. \$1,000,000 June 15, 2012
 - c. 21,500 June 15, 2012
29. The Foundation or AWCC repaid \$1,000,000 of the foregoing amounts, leaving \$462,238 unpaid.
30. The University contributed an additional \$4,600,000 to the cost of the Welcome Center, with proper authorization. No claim is made herein with respect to that sum.

The Hotel Project

31. Sonnleitner and Wells caused the transfer of University funds to the Foundation or the Hotel in the following amounts on the following dates:
 - a. \$750,000 May 29, 2012
 - b. \$250,000 August 1, 2012

- c. \$750,000 November 5, 2012
 - d. \$165,277 February 15, 2013
 - e. \$263,000 August 20, 2013
32. These sums were subsequently repaid, leaving no balance due.

Oshkosh Sports Complex

33. Sonnleitner and Wells caused the transfer of funds to the Foundation for renovation of the Oshkosh Sports Complex in the following amounts on the following dates:

- a. \$108,540 June 29, 2011
- b. \$ 68,015 January 5, 2012
- c. \$ 70,519 January 11, 2012
- d. \$484,487 June 15, 2012
- e. \$ 75,000 April 10, 2013

34. Of these sums, \$806,561 has not been repaid. The Foundation has transferred the Sports Center to the University.

Other Funds Transfers

35. Sonnleitner caused the transfer of additional funds to the Foundation in the following amounts on the following dates:

- a. \$ 99,410 June 22, 2015
- b. \$ 51,320 June 22, 2015
- c. \$193,711 May 18,2016

University Guarantees of Foundation Debt

36. On September 22, 2010, Sonnleitner and Wells caused the University to issue a guarantee to Wells Fargo Securities, LLC, of all Foundation

obligations related to Witzel.

37. On June 21 and June 28, 2012, Sonnleitner and Wells caused the University to issue to the Foundation a guarantee of all the Foundation's obligations related to Foundation projects and initiatives.
38. On June 21 and June 28, 2012, Sonnleitner and Wells caused the University to issue to the Foundation:
 - a. a guarantee of all Foundation debt service with respect to Witzel;
 - b. a guarantee of all Foundation obligations with respect to the AWCC;
 - c. a guarantee of all Foundation obligations with respect to the Hotel; and
 - d. a guarantee of all Foundation obligations with respect to the Oshkosh Sports Complex;
39. On August 21, 2012, Sonnleitner caused the University to issue to First Business Bank a guarantee of all Bank obligations of the Foundation related to the Hotel, then in the amount of \$7,500,000.
40. On December 27, 2012, Sonnleitner caused the University to issue to Wells Fargo Bank, N.A. a guarantee of all Bank obligations of the Foundation related to Rosendale, then in the amount of \$10,000,000.
41. On January 18, 2013, Sonnleitner caused the University to issue to Bank First National a guarantee of all Foundation obligations with respect to the AWCC.
42. On July 31, 2013, Sonnleitner caused the University to guarantee all

Foundation obligations to Citizens First Credit Union.

43. On October 10, 2014, Sonnleitner caused the University to issue to Wells Fargo Bank, N.A. a guarantee of all Bank obligations of the Foundation related to Rosendale.
44. On December 1, 2015, Sonnleitner caused the University to issue to First Business Bank a guarantee of all Bank obligations of the Foundation related to Rosendale, originally in the amount of \$6,771,096.
45. All of the purported guarantees were prohibited by the Wisconsin Constitution, Article VIII, § 3.
46. On information and belief, Sonnleitner and Wells knew that they were not authorized or empowered to issue the guarantees.
47. By the acts alleged, Sonnleitner and Wells converted property of the Plaintiff, including its money and its credit, by intentionally transferring Plaintiff's money and credit to the Foundation and its LLCs and to the Foundation's creditors without Plaintiff's consent, resulting in serious interference with Plaintiff's right to possess its money and credit.
48. On information and belief, Wells aided and approved Sonnleitner's conversion of Plaintiff's money and credit, and thereby conspired in Sonnleitner's conversion.
49. The acts of Sonnleitner and Wells violated Wis. Stat. §895.446 and Wis. Stat. § 943.20 (1) (a) and (b), subjecting Sonnleitner and Wells to liability for Plaintiff's actual damages, treble damages, and all costs of

investigation and prosecution, pursuant to Wis. Stat. § 895.446(3).

Wherefore, Plaintiff asks that the court enter judgment against Sonnleitner and Wells for all damages Plaintiff suffered by reason of the acts of Sonnleitner and Wells, plus treble damages and all costs of investigation and prosecution of this case and such further relief as the evidence may warrant.

Dated this 18th day of January, 2017.

BRAD D. SCHIMEL
Wisconsin Attorney General
Electronically signed by,

F. Mark Bromley
F. MARK BROMLEY
Assistant Attorney General
State Bar #1018353

Attorneys for Attorneys for Plaintiff

Wisconsin Department of Justice
Post Office Box 7857
Madison, Wisconsin 53707-7857
(608) 264-6201
(608) 267-8906 (Fax)
bromleyfm@doj.state.wi.us