

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF POLK

NINTH JUDICIAL DISTRICT

Boardwalk Enterprises, LLP and Boardwalk  
Bar and Grill, LLC,

Plaintiffs,

v.

The City of East Grand Forks, Minnesota and  
East Grand Forks Economic Development and  
Housing Authority at East Grand Forks,

Defendants.

Case No.:  
Case Type:  
Judge:

**SUMMONS**

THIS SUMMONS IS DIRECTED TO THE DEFENDANTS THE CITY OF EAST GRAND FORKS, MINNESOTA AND EAST GRAND FORKS ECONOMIC DEVELOPMENT AND HOUSING AUTHORITY AT EAST GRAND FORKS:

1. **YOU ARE BEING SUED.** The Plaintiff has started a lawsuit against you. The Plaintiff's Complaint against you is attached to this Summons. Do not throw these papers away. They are official papers that affect your rights. You must respond to this lawsuit even though it may not yet be filed with the Court and there may be no court file number on this summons.

2. **YOU MUST REPLY WITHIN 20 DAYS TO PROTECT YOUR RIGHTS.** You must give or mail to the person who signed this summons a **written response** called an Answer within 20 days of the date on which you received this Summons.

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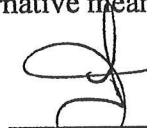
3. **YOU MUST RESPOND TO EACH CLAIM.** The Answer is your written response to the Plaintiff's Complaint. In your Answer you must state whether you agree or disagree with each paragraph of the Complaint. If you believe the Plaintiff should not be given everything asked for in the Complaint, you must say so in your Answer.

4. **YOU WILL LOSE YOUR CASE IF YOU DO NOT SEND A WRITTEN RESPONSE TO THE COMPLAINT TO THE PERSON WHO SIGNED THIS SUMMONS.** If you do not Answer within 20 days, you will lose this case. You will not get to tell your side of the story, and the Court may decide against you and award the Plaintiff everything asked for in the complaint. If you do not want to contest the claims stated in the complaint, you do not need to respond. A default judgment can then be entered against you for the relief requested in the complaint.

5. **LEGAL ASSISTANCE.** You may wish to get legal help from a lawyer. If you do not have a lawyer, the Court Administrator may have information about places where you can get legal assistance. **Even if you cannot get legal help, you must still provide a written Answer to protect your rights or you may lose the case.**

6. **ALTERNATIVE DISPUTE RESOLUTION.** The parties may agree to or be ordered to participate in an alternative dispute resolution process under Rule 114 of the Minnesota General Rules of Practice. You must still send your written response to the Complaint even if you expect to use alternative means of resolving this dispute.

Dated: May 21<sup>st</sup>, 2016.

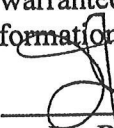


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#### ACKNOWLEDGMENT

The undersigned hereby acknowledges that sanctions may be imposed pursuant to Minn. Stat. § 549.211, subdiv. 1. The undersigned certifies (1) That the attached pleading is not being presented for any improper purpose; (2) That the claims, defenses and other legal contentions are warranted by existing law or by a nonfrivolous argument for the extension, modification, or reversal of existing law or the establishment of new law; (3) That the allegations and other factual contentions have evidentiary support or are likely to have evidentiary support after a reasonable opportunity for further investigation or discovery; and (4) That the denials of factual contentions are warranted on the evidence or, if specifically so identified, are reasonably based on a lack of information or belief.



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Defendants.

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**COMPLAINT**

Plaintiffs, for their Complaint against Defendants, state as follows:

1. The Plaintiff Boardwalk Enterprises, LLP (“Boardwalk Enterprises”) is a limited liability partnership organized under the laws of the State of Minnesota with its principal offices in Grand Forks, North Dakota.
2. The Plaintiff Boardwalk Bar and Grill, LLC (“Boardwalk Grill”) is a limited liability company organized under the laws of the State of Minnesota with its registered offices in East Grand Forks, Minnesota.
3. The Defendant The City of East Grand Forks, Minnesota (the “City”) is a municipal corporation located in the State of Minnesota.
4. The Defendant East Grand Forks Economic Development and Housing Authority at East Grand Forks (“EDA”) is an economic development entity organized under the laws of the State of Minnesota.

5. Boardwalk Enterprises owns certain improved real property in the State of Minnesota legally described as Lots 13 through 17, Block 2, EB Fredericks Addition to the City of East Grand Forks, Minnesota, less the northwesterly 20' of Lot 17, Polk County, Minnesota (the "Property").

6. Certain business operations conducted on the Property are under the control of the Boardwalk Grill, which entity holds a liquor license issued by the City for said premises.

7. In 2014, the Defendants claimed that Boardwalk Enterprises was obligated on a loan in the principal sum of \$510,000.00 supposedly made by the Defendants to Boardwalk Enterprises in October of 1999.

8. Prior to Defendants' 2014 claim of the existence of a debt due by Boardwalk Enterprises, neither Defendant had contacted Boardwalk Enterprises to discuss the alleged liability or sought payment on the same.

9. On May 6, 2014, the City filed a mortgage against the Property. The mortgage was supposedly executed in October of 1999 to collateralize the alleged debt of Boardwalk Enterprises.

10. Subsequent to asserting the existence of the above-referenced debt, the Defendants engaged in a concerted course of action to defame and damage the reputation and business interests of Plaintiffs.

11. In 2015, in a further effort to force Boardwalk Enterprises to pay the non-existent debt, the City imposed conditions on the renewal of the liquor license of Boardwalk Grill. At all times material, the City was aware that the conditional renewal of the liquor license would create negative publicity for Plaintiffs and would adversely affect Plaintiffs' business operations.

12. Defendants' actions were undertaken for the improper purpose of forcing Boardwalk Enterprises to pay a debt that it did not owe. Defendants' actions were intended to obtain unfair advantage over the Plaintiffs and to compel Plaintiffs to accede to the unreasonable and unjustified demands of Defendants. Defendants' conduct was oppressive and motivated by malice.

13. As a direct and proximate consequence of Defendants' actions, Plaintiffs have sustained damages in an amount exceeding \$50,000.00.

**COUNT ONE-**  
**DECLARATORY RELIEF AS TO ALLEGED SECURED LOAN OBLIGATION**

14. Plaintiffs restate and incorporate herein by reference the allegations in paragraphs 1 through 13 above.

15. The debt Defendants claim is owed by Boardwalk Enterprises is not a valid or enforceable obligation and should be determined to be a nullity.

16. Alternatively, if the debt claimed by Defendants is a valid and enforceable obligation of Boardwalk Enterprises, the claims of Boardwalk Enterprises against Defendants based on the City's failure to comply with tax abatement agreements, etc., equals or exceeds any obligation of Boardwalk Enterprises to Defendants.

**COUNT TWO -**  
**SLANDER OF TITLE**

17. Plaintiffs restate and incorporate herein by reference the allegations in paragraphs 1 through 16 above.

18. The action of the City in recording a mortgage against the Property owned with respect to a non-existent obligation constitutes slander of the ownership and title interest of Boardwalk Enterprises in the Property.

**COUNT THREE –**  
**INTENTIONAL INTERFERENCE WITH CONTRACT**

19. Plaintiffs restate and incorporate herein by reference the allegations in paragraphs 1 through 18 above.

20. The actions of the Defendants were intended to and did interfere with existing contractual relations of Plaintiffs.

**COUNT FOUR –**  
**NEGLIGENT INTERFERENCE WITH CONTRACT**

21. Plaintiffs restate and incorporate herein by reference the allegations in paragraphs 1 through 20 above.

22. The actions of the Defendants were taken without reasonable care and interfered with existing contractual relations of Plaintiffs.

**COUNT FIVE –**  
**INTENTIONAL INTERFERENCE WITH ECONOMIC INTERESTS OR**  
**OPPORTUNITIES**

23. Plaintiffs restate and incorporate herein by reference the allegations in paragraphs 1 through 22 above.

24. The actions of the Defendants were intended to, did and will interfere with Plaintiffs' economic interests and opportunities including, but not limited to, opportunities with Plaintiffs' customer base.

**COUNT SIX –**  
**NEGLIGENT INTERFERENCE WITH ECONOMIC INTERESTS AND**  
**OPPORTUNITIES**

25. Plaintiffs restate and incorporate herein by reference the allegations in paragraphs 1 through 24 above.

26. The actions of the Defendants were taken without due care and will unreasonably interfere with Plaintiffs' economic interests and opportunities including, but not limited to, those interests and opportunities with respect to Plaintiffs' customer base.

**COUNT SEVEN –**  
**DEFAMATION**

27. Plaintiffs restate and incorporate herein by reference the allegations in paragraphs 1 through 26 above.

28. The actions of the Defendants have defamed Plaintiffs damaging Plaintiffs' business reputation and resulting in lost revenues to Plaintiffs.

**COUNT EIGHT –**  
**BAD FAITH BREACH OF CONTRACT**

29. Plaintiffs restate and incorporate herein by reference the allegations in paragraphs 1 through 28 above.

30. The actions of the Defendants, including but not limited to, asserting a non-existent debt, refusing to honor agreements with Boardwalk Enterprises for tax abatements and payment of development expenses related to the Property and for the improper conditional renewal of Boardwalk Grill's liquor license constitute bad faith breaches of contracts existing between the Plaintiffs and the Defendants.

**COUNT NINE –**  
**CIVIL CONSPIRACY**

31. Plaintiffs restate and incorporate herein by reference the allegations in paragraphs 1 through 30 above.

32. Defendants conspired to damage the business operations of Plaintiffs to force Boardwalk Enterprises to pay a non-existent debt claimed by the Defendants.

**COUNT TEN –**  
**INJUNCTIVE RELIEF**

33. Plaintiffs restate and incorporate herein by reference the allegations in paragraphs 1 through 32 above.

34. The City should be enjoined from asserting that any debt obligation the City claims it is owed by Boardwalk Enterprises is a basis for refusing, conditioning or limiting the issuance of a liquor license to Boardwalk Grill or any other individual or entity conducting operations on the Property.

**COUNT ELEVEN –**  
**PUNITIVE DAMAGES**

35. Plaintiffs restate and incorporate herein by reference the allegations in paragraphs 1 through 34 above.

36. Plaintiffs reserve the right to amend this Complaint to seek punitive damages against Defendants for the Defendants' oppressive, malicious and outrageous conduct.

WHEREFORE, Plaintiffs pray for judgment against Defendants as follows:

1. For a determination that any debt claimed by Defendants against Boardwalk Enterprises is without basis and for release of the mortgage filed by the City against the Property.

2. For damages in the amount proved at trial, which damages Plaintiffs assert exceed the sum of \$50,000.00.

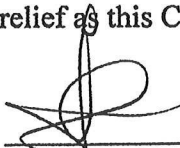
3. For injunctive relief precluding the City from asserting that the debt it alleges is owed by Boardwalk Enterprises is a basis for imposing restrictions or limitations with respect to the liquor licenses issued for the Property.



4. For Plaintiffs' costs, disbursements and reasonable attorneys' fees incurred herein.

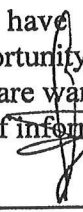
5. For such other and further relief as this Court deems just and equitable.

Dated: May 21, 2016.

  
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**DEMAND FOR JURY TRIAL**

Plaintiffs demand trial to a jury of the maximum size of all of the claims that are so triable in this case.

Dated: May 21, 2016.

  
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