

**STATE OF MICHIGAN
IN THE CIRCUIT COURT FOR THE COUNTY OF MASON**

JOS. SANDERS, INC, d/b/a Sanders Meats,
a Michigan corporation,

Case No. 2020 - 347 -CB
Hon. Susan Kasley Sniegowski

Plaintiff/Counter-Defendant,

v.

ALEC SANDERS, an individual,
COREY SANDERS, an individual,
jointly and severally,

Defendants/Counter-Plaintiffs,

and

ALEC SANDERS, an individual,
COREY SANDERS, an individual,

Third Party Plaintiffs,

v.

DEREK SANDERS, an individual
CARLTON SANDERS, an individual, and
DAVID SANDERS, an individual,

Third Party Defendants.

**PLAINTIFF'S MOTION FOR
ENTRY OF TEMPORARY
RESTRAINING ORDER,
SHOW-CAUSE ORDER, AND
PRELIMINARY INJUNCTION**

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**PLAINTIFF'S MOTION FOR ENTRY OF TEMPORARY
RESTRAINING ORDER, SHOW-CAUSE ORDER, AND PRELIMINARY INJUNCTION**

Plaintiff, Jos. Sanders, Inc. ("Plaintiff" or "the Company"), by and through its attorneys, Rossman, P.C., respectfully moves this honorable court for entry of a Temporary Restraining Order and Order to Show Cause why a Preliminary Injunction should not be issued, pursuant to MCR 3.310. In support of its Motion, Plaintiff relies upon its Brief in Support and attached exhibits.

WHEREFORE, for the reasons described herein and in the attached pleadings, Plaintiff requests that this Honorable Court issue Plaintiff's Proposed Order, attached hereto as **Exhibit 1**.

Respectfully submitted,

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Dated: January 19, 2021

**BRIEF IN SUPPORT OF PLAINTIFF'S MOTION FOR ENTRY OF TEMPORARY
RESTRAINING ORDER, SHOW-CAUSE ORDER, AND PRELIMINARY INJUNCTION**

STATEMENT OF FACTS

Plaintiff, Jos. Sanders, Inc. ("the Company") was founded in 1925 in Custer, Michigan, by Joseph Sanders. (Ex. 3, *Carlton Affidavit*). Since then, generations of the Sanders family have owned and operated the Company, providing high quality beef, pork, and deer processing and distribution services, in addition to wholesale, and direct-to-consumer sales of its various meat products (including over 100 homemade recipes for ham, sausages, jerky, and more). (*Id.*). In

serving Mason County for decades, the Company has carefully cultivated its reputation for its high quality and signature products in the meat processing industry and among its customers.¹

Shortly after its inception, and continuously thereafter, the Company adopted and began use of “Sanders” and “Sanders Meats” (the “Sanders Marks”) in connection with its business. (Ex. 6, *Trademark Registration*; Exs. 3-5, *Affidavits*). For years, in addition to its signage, the Company’s packaging of its various products has included the Sanders Marks across them. (Ex. 7, *Sanders Signage*; Ex. 8, *Sanders Packaging Photos*). The Company’s webpage and Facebook page, which have been held since 2007 and 2012, respectively, prominently display the Sanders Marks. (Ex. 9, *Sanders Webpage*; Ex. 10, *Sanders Facebook*).² As a result, the Sanders Marks have come to be associated with the Company’s products and services. The Company is the owner of all right, title and interest in and to a federal trademark for “Sanders”, which is presently valid and subsisting in law. (Ex. 6).

The Company was incorporated in the state of Michigan on June 27, 1960. (Ex. 3; Ex. 11, *LARA Records*). Thereafter, on July 7, 1960, the Company adopted its bylaws. (Ex. 3). Since then, the Company’s ownership interest and board membership has been held by various members of the Sanders family. (*Id.*). At all relevant times herein, the Company’s shareholders have been Carlton Sanders, David Sanders, Derek Sanders, and Defendant Alec Sanders (“Defendant Alec” or “Alec”). (Exs. 3-5). Alec became a shareholder of the Company and was elected to the Board of Directors in January 2012. (*Id.*). In his role with the Company, among other things, Alec

¹ Although the Company’s reputation is most pervasive throughout Mason County (where it has maintained its processing facility, which also serves as a retail shop, for decades) the Company’s reputation permeates beyond the County itself, as its products are shipped nationwide.

² The Company’s web address, which it has been using since 2007, is www.sandersmeats.com. (Ex. 9). The Company also maintains its Facebook page under “Sanders Meats”, which has amassed over 18,000 “followers.” (Ex. 10).

maintained access to the Company's Facebook account, as well as its account with the Michigan Department of Licensing and Regulatory Affairs (LARA). (*Id.*). He was also responsible for maintaining the Company's financial documents and tax records. Defendant Corey Sanders ("Defendant Corey" or "Corey") became a full-time employee of the Company in January 2014. (*Id.*). For his role as an employee, Corey's duties consisted mainly of procurement and purchasing responsibilities, some degree of sales, and other miscellaneous tasks such as advertising. (*Id.*). While Corey desired to ultimately become a shareholder of the Company, as many Sanders before him had, and though there was some discussions around Carlton Sanders' transferring his shares to Corey upon his retirement, no Board decision or agreement was ever reached to effectuate such transfer. Corey never became a shareholder of the Company,³ nor a member of its Board. (*Id.*).

Between May and August 2020, and unbeknownst to the Company, Defendants Alec and Corey caused a series of checks in the sum of \$90,000 each to be issued to one another, in direct violation the Company's corporate governance documents. (Ex. 12). Once the checks were discovered, this, in combination with Corey's growing frustration over not being handed shareholding interests in the Company, caused heightened tension between members of the Sanders family, and ultimately culminated in a meeting of the Company's Board of Directors, held on August 19, 2020. (Exs. 3-5). In addition to the Company's Board members, Margaret Sanders and Defendant Corey were asked to attend. During the August meeting, the Board members discussed, among other things, Company policy for issuing checks (specifically, the requirement for authorized signature to issue checks from the Company account), and the Company's by-laws.

³ Despite this, however, Defendant Alec had without the knowledge or consent of the Company or its shareholders, issued at least one check to Defendant Corey from the Company's account, in an amount similar to dividends received by Carlton Sanders that year.

Additionally, during this meeting, the Board informed Defendant Corey that he would not be made a shareholder of the Company at this time. (*Id.*).

It was later discovered that, around this same time in August 2020, Defendant Alec had formed a new business entity: Highway 10 Investments LLC. (Ex. 13, “*Highway 10 Investments*”). Shortly thereafter, on November 4, 2020, Alec wrote a check from the Plaintiff’s bank account to Corey, in the amount of \$121,150.00. (Ex. 14, *11/4/2020 Checks*). At the same time, Corey issued a check to Alec from the Company’s account for an identical amount. (*Id.*). Neither check was disclosed to the Company, nor were they authorized by the Board. (Exs. 3-5).

After issuing one another these large checks from the Company account, on November 12, 2020, Alec submitted articles of incorporation to the State of Michigan for a new enterprise: Sanders Meat Company. (Ex. 15, *LARA Documents*). Thereafter, Defendant Alec filed various assumed names for this new entity, including: Sanders Meats Company, Sanders Meat Market, Sanders Ham Company, Sanders Jerky Company, Sanders Deer Processing, and Sanders Sausage Company. (*Id.*). Defendant Alec did not disclose this to the Company’s remaining shareholders. (Exs. 3-5). After creating this new entity, neither Defendant returned to work. Instead, in the days that followed, Defendants each voluntarily resigned. Defendant Alec submitted his voluntary resignation from the Company on November 19, 2020. (Ex. 16, *Alec Resignation*). A few days later, on November 23, 2020, Corey voluntarily resigned. (Ex. 17, *Corey Resignation*).

Defendant Alec maintains possession of various Company documents, such as the Company tax and financial records, however, in his resignation letter, he indicated that the documents would only be returned once he received “a clear response” on a “retirement distribution” he claimed to be entitled to. (Ex. 16). None of these documents have been returned to the Company. (Exs. 3-5). Additionally, during their employment with the Company, Defendants

had access to a variety of confidential and proprietary information belonging to the Company, such as the recipes for the Company's products. (*Id.*). In fact, the Company subsequently discovered that its jerky recipes, which were kept in hard-copy format in a filing cabinet that had restricted access, were entirely missing. (Exs. 3-5). The remaining recipes for the Company's various meat products were in disarray and appeared to have been tampered with. (Ex. 4).

Following Defendants' resignation, Defendants had regularly visited a commercial property that was for sale, and located less than 10 miles from the Company, at 3815 W US Highway 10, in Ludington, Michigan ("US-10 Property"). It was subsequently discovered that, at least by December 7, 2020, Alec's company, Highway 10 Investments, entered into a purchase agreement for the US-10 Property and sought a determination from the Mason County Planning Commission, to allow them – through an affiliated entity – to run a meat processing and retail facility virtually identical to the Company's. (Ex. 18, *County Minutes*). A deed transferring the US-10 Property to Highway 10 Investments was recorded on January 12, 2021. (Ex. 19, *Deed*).

LEGAL STANDARD

The purpose of a preliminary injunction is "to preserve the status quo pending a final hearing, enabling the rights of the parties to be determined without injury to either party." *Pharm Research & Mfrs of America v Dept of Com Health*, 254 Mich App 397, 402 (2002). A "temporary restraining order may be granted if there are allegations of irreparable injury and there is no adequate remedy at law." *In re Esquire Prods Int'l, Inc*, 136 Mich App 492, 495 (1984), *vacated on other grounds*, 422 Mich 928 (1985). The granting of injunctive relief is within the sound discretion of the trial court. *Hamilton v AAA Michigan*, 248 Mich App 535, 541 (2001).

The Michigan Supreme Court has established a four-factor analysis for the courts to evaluate in determining whether a preliminary injunction should issue: (1) The likelihood that the

party seeking the injunction will prevail on the merits (likelihood of success); (2) the danger that the party seeking the injunction will suffer irreparable injury if the injunction is not issued; (3) the risk that the party seeking the injunction would be harmed more by the absence of an injunction than the opposing party would be by the granting of the relief; and (4) service of the public interest by issuance of the injunction. *Campau v McMath*, 185 Mich App 724, 728 (1999). However, these four considerations are "factors to be balanced, not prerequisites that must be met." *In re DeLorean Motor Co*, 755 F2d 1223, 1229 (CA 6, 1985). As stated by the Michigan Supreme Court:

It is sufficient if it appears that there is a real or substantial question between the parties, proper to be investigated in a court of equity, and in order to prevent irreparable injury to the complainant, before his claims can be investigated, it is necessary to prohibit any change in the conditions and relations of the property and of the parties during the litigation. [*Niedzialek v Journeymen Barbers, etc., Int'l Union*, 331 Mich 296, 300-01; 49 NW2d 273, 276 (1951)].

A trial court need not hold an evidentiary hearing before issuing an injunction where a party's entitlement to injunctive relief can be established by argument, brief, affidavits or other forms of non-testamentary evidence. *Fancy v Egrin*, 177 Mich App 714, 722 (1989).

ARGUMENT

1. Plaintiff is Likely to Succeed on the Merits of its Relevant Claims.

A. Trade Secret Misappropriation.

Defendants' conduct violates the Michigan Uniform Trade Secrets Act (MUTSA), MCL 445.1901 et seq. To plead a cause of action for violations of MUTSA, a plaintiff must allege that: (1) it has protectable trade secrets; and (2) defendant has improperly acquired, disclosed or used those trade secrets. MCL 445.1902. Moreover, MUTSA explicitly provides for injunctive relief – allowing a court to enjoin actual or threatened misappropriation of trade secrets, compel affirmative acts necessary, and award damages for misappropriation. MCL 445.1903(1); See, *CMI Int'l, Inc v Intermet Int'l Corp*, 251 Mich App 125, 649 NW 2d 808, 813 (2002).

i. The Company's Recipes Constitute Protectable Trade Secrets.

MUTSA statutorily defines the phrase "trade secret" as follows:

a formula, pattern, compilation, program, device, method, technique, or process, that is both of the following: (i) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. MCL 445.1902(d).

The Company's recipes at issue undoubtedly meet this definition. "Secret formulae have traditionally been recognized as having trade secret status, if they have some commercial value. *Glucol Mfg v Schulist*, 239 Mich 70 (1927); *Manos v Melton*, 358 Mich 500, 100 NW 2d 235 (1960). Furthermore, the Company's recipes derive actual or potential economic value from their secrecy. (Exs. 3-5). The Company's meat products are produced and/or manufactured according to these recipes. These sales, in turn, are what enables the Company to generate a profit.

Moreover, the Company has continuously taken several precautions to keep these valuable recipes secret, including by limiting access thereto, storing them in the Company sales office, within a filing cabinet that only five individuals had access to. (Exs. 3-5). While MUTSA requires that reasonable efforts be taken to maintain secrecy of a trade secret, "[o]ne need not make every conceivable effort to assure [sic] secrecy," *Compuware Corp v Serena Software Int'l, Inc*, 77 F Supp 2d 816, 822 (ED Mich 1999) (citing *Kubik, Inc v Hull*, 56 Mich App 335, 224 NW2d 80 (1974)). Michigan Court have found sufficient measures, for MUTSA purposes, in circumstances involving "a tacit understanding, inferable from the attendant circumstances, that the information is confidential; or security precautions utilized by the employer to ensure that only a limited number of authorized individuals have access to the information." *Radiant Glob Logistics, Inc v Furstenau*, 368 F Supp 3d 1112, 1128 (E D Mich 2019) (internal citations omitted). Here, since the Company has been held by members of the Sanders family for decades, and the Company's

profits are generated largely by sales of its products, Defendants would have at least a tacit understanding of the confidential and proprietary nature of the recipes.

ii. Defendants Have Improperly Acquired, Disclosed, or Used These Trade Secrets.

"Misappropriation" is defined in § 445.1902(b) as either "[a]cquisition of a trade secret of another by a person who knows or has reason to know that the trade secret was acquired by improper means" or the "[d]isclosure or use of a trade secret of another without express or implied consent by a person who did" any of the following:

- (A) Used improper means to acquire knowledge of the trade secret.
- (B) At the time of disclosure or use, knew or had reason to know that his or her knowledge of the trade secret was derived from or through a person who had utilized improper means to acquire it, acquired under circumstances giving rise to a duty to maintain its secrecy or limit its use, or derived from or through a person who owed a duty to the person to maintain its secrecy or limit its use.
- (C) Before a material change of his or her position, knew or had reason to know that it was a trade secret and that knowledge of it had been acquired by accident or mistake.

"Improper means" is defined to include "theft, bribery, misrepresentation, breach, or inducement of a breach of a duty to maintain secrecy or espionage through electronic or any other means." MCL § 445.1902(a). Defendants misappropriated the Company's recipes when they took the Company's recipes without authority or consent, and for use in their new business venture. Here, Defendants knew that the recipes were developed by the Company, for the Company's sole use. Furthermore, through their association with the Company, they were given access to the recipes and other proprietary information belonging to the Company. (Exs. 3-5). Defendants improperly acquired these trade secrets when they took the Company's recipes upon submitting their resignations and incorporating their secret competing enterprise.

Moreover, there is an imminent risk that Defendants will disclose or use the recipes in connection with their new venture. For a party to obtain an injunction under the premise of "threatened misappropriation" they, "must establish more than the existence of generalized trade

secrets and a competitor's employment of the party's former employee who has knowledge of trade secrets." *CMI Int'l, Inc v Intermet Int'l Corp*, 251 Mich App 125, 134; 649 NW2d 808 (2002). That is, they must "specifically identify the trade secret likely to be misappropriated and must convince the court of the former employee's 'duplicity' by proffering evidence indicating a significant lack of candor or willingness to misuse trade secrets." *Gene Codes Corp v Thomson*, No. 09-14687, 2011 WL 611957, at *5 (E.D. Mich. Feb. 11, 2011) (citations omitted).

The Court of Appeals decision in *Actuator Specialties, Inc v Chinavare*, unpublished per curiam opinion of the Court of Appeals, issued December 1, 2011 (Docket No. 297915), is illustrative on how such "duplicity" is established. There, the Court of Appeals affirmed the lower court's issuance of an injunction preventing defendants (who were former employees of the plaintiff) from working for any of the plaintiff's competitors. The Court of Appeals found that the plaintiff, "had established a willingness to use and/or disseminate trade-secret data, such that entry of an injunction to prevent any threatened misappropriation of trade secrets was warranted." *Id.* at *13. The *ASI* Court relied on the Seventh Circuit's opinion in *PepsiCo, Inc v Redmond*, 54 F3d 1262 (CA 7, 1995), where the Seventh Circuit Court of Appeals affirmed the district court's grant of a preliminary injunction, finding that the plaintiff established a sufficient likelihood of success despite the lack of evidence that the defendant had used or planned to use any trade secrets. *Id.* at 1271. However, the employee in *PepsiCo* demonstrated a lack of trustworthiness beyond his decision to work for a competitor. *Id.* at 1270. This "lack of trustworthiness" the Court of Appeals said, "was evidenced by the former employee accepting a position with a competitor, while still employed at PepsiCo, and lying to PepsiCo and his colleagues about it." *Actuator Specialties*, unpub op at *10 (citing *PepsiCo*, 54 F3d at 1264).

Similarly, here, while the Defendants were still working at the Company, Alec formed another competing company in secret from their fiduciary partners. In fact, approximately one week after they each issued checks to themselves from the Company account, for \$121,150.00, (Ex. 3-5). Defendant Alec submitted the articles of incorporation for Sanders Meat Company. These said breaches of their respective fiduciary duties, embezzling corporate funds, and withholding and stealing company records and proprietary information on the eve of their respective resignations, show a clear lack of trustworthiness. Defendants misappropriated the Company's trade secrets after acquiring its recipes through improper means and given Defendants lack of trustworthiness, there is a clear and imminent threat that they will use, and further misappropriate, same.

B. Trademark Infringement and Unfair Competition Claims: Michigan Common law, and the Lanham Act.

Plaintiff can establish a likelihood of success of its trademark infringement and unfair competition claims under Michigan common law, and the federal Lanham Act. As set forth by the United States Supreme Court, under the Lanham Act:

The owner of a mark, whether registered or not, can bring suit in federal court if another is using a mark that too closely resembles the plaintiff's. The court must decide whether the defendant's use of a mark in commerce 'is likely to cause confusion, or to cause mistake, or to deceive' with regard to the plaintiff's mark. See 15 U. S. C. §1114(1)(a) (registered marks); §1125(a)(1)(A) (unregistered marks). [*B&B Hardware, Inc. v. Hargis Indus.*, 135 S Ct 1293, 1301 (2015)].

To establish a claim under §1125(a)(1)(A) of the Lanham Act, Plaintiff must show:

(1) ownership and continuous use of a specific trademark in connection with specific services; (2) secondary meaning if the mark is descriptive, [i.e., a "distinctive" or valid mark] and (3) a likelihood of confusion among customers resulting from defendant's use of its mark. The standard is the same under Michigan law.

Comerica, Inc v Fifth Third Bankcorp, 282 F Supp 2d 557, 567 (ED Mich 2002) (citations omitted); See also, *Janet Travis, Inc.*, 306 Mich App 266, 268-76, 856 N W 2d 206, 212-216

(2014) (setting forth the elements of a claim under the Michigan Trademark Act, which largely codified Michigan's common law trademark infringement claims.); *Wysong Corp v MI Indus*, 412 F Supp 2d 612, 634 (ED Mich 2005) ("Michigan common law imposes the same requirements [as a claim under §1125] on a plaintiff before a trademark is considered protectable."). As stated by the Court of Appeals in *Janet Travis, Inc v Preka Holdings, LLC*, because Michigan's trademark act "is based on the common law . . . it is therefore appropriate, when interpreting the statute, to consider federal and state cases that apply the common law of trademark. *Id.* at 275; *Goscicki v. Custom Brass & Copper Specialities, Inc.*, 229 F Supp 2d 743, 756 (ED Mich, 2002) (ruling that Michigan common law uses "the same . . . tests for federal trademark infringement and federal unfair competition").

"The test for liability under [§1125(a) and Michigan common law trademark infringement and unfair competition claims] is identical to the test for liability for trademark infringement, i.e., the inquiry is whether the defendants' conduct creates a likelihood of confusion. *Choice Hotels Int'l, Inc v Hosp, LLC*, No. 1:11-cv-00896, 2012 U.S. Dist. LEXIS 94515, at *5-6 (WD Mich June 13, 2012) (citing *Carson v Here's Johnny Portable Toilets, Inc*, 698 F2d 831, 832 (6th Cir 1983) (test under Michigan common law is likelihood of confusion standard); *Audi AG v D'Amato*, 469 F 3d 534, 542 (6th Cir 2006)."The touchstone of liability [for trademark infringement] is whether the defendant's use of the disputed mark is likely to cause confusion among consumers regarding the origin of the goods offered by the parties." *Daddy's Junky Music Stores, Inc v Big Daddy's Family Music Ctr*, 109 F3d 275, 280 (6th Cir 1997).

i. The Company Owns and has Consistently used its Valid Trademark.

The Sanders Marks are valid trademarks held by Plaintiff. Under the Lanham Act, a trademark includes any word, name, symbol, or device, or any combination to identify and distinguish goods. See 15 USC 1127. Similar definitions of "trademark" exist under both Michigan

common law and the Lanham Act. See *Janet Travis, Inc*, 306 Mich App at 268 (“Michigan courts have defined a “trademark” as any “peculiar . . . device” or symbol used by a manufacturer or service provider to distinguish its goods or services from those of others) (citations omitted).

a. Registration = Prima Facie Evidence of Validity and Ownership.

The Company registered its trademark on October 10, 2017. (Ex. 6). The Lanham Act provides that trademark registration serves as “prima facie evidence of the validity of the registered mark and of the registration of the mark, of the owner’s ownership of the mark, and of the owner’s exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the certificate.” *B&B Hardware, Inc v Hargis Indus*, 575 US 138, 138, 135 S Ct 1293, 1297 (2015) (citing § 1057(b)); *Goscicki*, 229 F Supp 2d at 753 (“[A] registered trademark enjoys the protection of the presumption of validity, which includes distinctiveness”); § 1115.

b. Valid Common Law Trademarks

Where no presumption applies, trademarks are valid when they are “(1) used in connection with the sale and advertising of products or services, and (2) distinctive, in that consumers understand the mark to designate goods or services as the ‘product of a particular manufacturer or trader.’” *Janet Travis, Inc*, 306 Mich App at 279 (citations omitted); See also, *Comerica*, 282 F Supp 2d at 567. In Michigan, a mark is “used” when it is:

placed in any manner on the goods or their containers or on the tags or labels affixed thereto and such goods are sold or otherwise distributed in this state, and on services when it is used or displayed in this state in the sale or advertising of services and the services are rendered in this state.

Janet Travis, Inc, 306 Mich App at 279. In the present matter, there is no dispute that Plaintiff has used the mark in connection with its sales and advertising of the products and services the Company offers.

Regarding whether the mark is distinctive, there are four types of marks: "(1) generic, (2) descriptive, (3) suggestive, and (4) arbitrary or fanciful." *Id.* at 280; See also *Two Pesos, Inc v Taco Cabana, Inc*, 505 US 763, 768, 112 S Ct 2753, 2757 (1992). Terms classified as "descriptive" or "generic" generally may not serve as a trademark because they do not inherently distinguish the origin or source of a good. *Janet Travis, Inc*, 306 Mich App at 281; See *Two Pesos*, 505 US at 768.

Courts "generally do not give legal protections to surnames used as marks," which generally are classified as descriptive. *Janet Travis, Inc*, 306 Mich App at 270, 282. However, the "doctrine of secondary meaning," is a "universally recognized exception" – such that, unlike a generic mark, a descriptive mark can "become source identifiers, and thus valid trademarks." *Id.* at 282; See also, *Two Pesos*, 505 US at 766 n 4. The Court of Appeals in *Janet Travis, Inc v Preka Holdings, LLC*, explained how this "doctrine of secondary meaning," is applied:

A descriptive mark gains source-identifying capacity when it acquires "secondary meaning," which occurs when a descriptive mark has "become associated in the minds of purchasers or customers with the source or origin of goods or services rather than with the goods or services themselves."

* * *

To determine whether a plaintiff's mark has acquired secondary meaning, a court considers the "length of use of the symbol or mark, nature and extent of popularizing and advertising the symbol, and the efforts expended by plaintiff in promoting the connection in the minds of the general public of his mark or symbol with a particular product." [*Travis*, at 282 (internal citations omitted)].

The Company has used the Sanders Marks in connection with the sale of its products and the advertising of its product and services, since its inception. (Exs. 3-5; Exs. 6). As stated above, Plaintiff's federal registration of the mark "Sanders" is prima facie evidence of its ownership, use, and validity. Furthermore, the trademark protection laws protect against "use of a mark likely to "cause confusion" with a federally registered trademark, including a colorable imitation thereof (such as, in this case, "Sanders Meats"). 15 USC 1114(1). The Michigan Court of Appeals dealt

with similar facts in *Janet Travis, Inc v Preka Holdings, LLC*. There, the Court of Appeals affirmed entry of an injunction by the circuit court, against defendants, where the plaintiff owned a restaurant and had used the surname "Travis," as a mark "in connection with the food-service industry since the 1940s." *Id.* at 269-270. Plaintiff eventually registered the mark with the state, however, thereafter defendant "began to operate a restaurant called 'Travis Grill' in the same geographical area as plaintiff's restaurant and licensees." *Id.* The Court of Appeals affirmed the circuit court's grant of an injunction "against defendant's further use of "Travis"-related marks. *Id.*

c. Ownership and Continuous Use / Priority in the Mark

It is uncontested that the Company has used the Sanders Marks long before Defendants. Where ownership is not presumed, "[t]rademark ownership arises from actual use in the market, and priority of ownership stems from priority of continuous use." *Comerica, Inc*, 282 F Supp 2d 557, 567 (ED Mich 2002) (internal citations omitted). Generally, the right belongs to the one who first appropriates and uses the mark. *Janet Travis, Inc*, 306 Mich App at 284.

ii. Defendant's Use Thereof Creates a Likelihood of Confusion.

The "likelihood of confusion" analysis under the Michigan common law trademark infringement and unfair competition is consistent with the analyses required with regard to claims brought under the Lanham Act. *GMC v Keystone Auto Indus*, 453 F3d 351, 354 (6th Cir 2006); see *Carson*, 698 F 2d at 833 (6th Cir. 1983) (stating that Michigan common law unfair competition claims use the same likelihood of confusion test as the Lanham Act). The confusion for which a competitor is held responsible is confusion as to the origin of the product. *Hensley Mfg v ProPride, Inc*, 579 F3d 603 (6th Cir 2009); *Educational Subscription Serv, Inc v American Educ Servs, Inc*, 115 Mich App 413, 421–425, 320 NW2d 684 (1982). A showing of actual confusion is not necessary – a plaintiff need only demonstrate that confusion is probable or likely to occur. *Boron Oil Co v Callanan*, 50 Mich App 580, 584; 213 NW2d 836 (1973).

Under the “likelihood of confusion” standard, courts consider eight factors: (1) strength of the plaintiff’s mark; (2) relatedness of the goods; (3) similarity of the marks; (4) evidence of actual confusion; (5) marketing channels used; (6) likely degree of purchaser care; (7) defendant’s intent in selecting the mark; and (8) likelihood of expansion of the product lines. *Pita Delight, Inc v Salami*, 24 F Supp 2d 795, 800 (ED Mich 1998).

Injunctive relief may be appropriate when a business competitor has adopted a name that is confusingly similar to one already being used by another business and the similarity likely or probably results in confusion among consumers who are using ordinary care. *Boron Oil Co*, 50 Mich App at 584. A plaintiff need not prevail on each, or even most, of these factors. See *Wynn Oil Co v Thomas*, 839 F2d 1183, 1186 (6th Cir 1988). They are a guide to help determine whether confusion is likely. *GMC v Lanard Toys, Inc*, 468 F3d 405 (6th Cir 2006). Depending on the facts, some factors may be more significant. See, e.g., *Pita Delight*, 24 F Supp 2d at 800–802. For example, “[i]f a party chooses a mark with the intent of causing confusion, that fact alone may be sufficient to justify an inference of confusing similarity.” *Id.* at 802 (quoting *Homeowners Group Inc v Home Marketing Specialists Inc*, 931 F2d 1100, 1111 (6th Cir 1991)).

a. The Strength of Plaintiff’s Mark is Significant.

A “mark’s strength” is gauged by its “distinctiveness and degree of recognition in the marketplace.” *Homeowners Group, Inc*, 931 F 2d at 1107. Although surnames are generally descriptive, the secondary meaning associated with the Sanders Marks, acquired by the Company’s continuous, pervasive use of these marks, strengthens the protection afforded to them. Moreover, Plaintiff’s federal registration of “Sanders”, would have necessarily required a finding of a secondary meaning. As such, this factor weighs in favor of finding a likelihood of confusion.

b. The Goods to be Sold and Marks Used are Virtually Identical.

The goods to be sold weigh heavily in favor of finding that confusion is likely to occur. With regard to the relatedness of the parties' respective goods or services, the case law has generally divided such into three categories:

First, if the parties compete directly by offering their goods or services, confusion is likely if the marks are sufficiently similar; second, if the goods or services are somewhat related but not competitive, the likelihood of confusion will turn on other factors; third, if the goods or services are totally unrelated, confusion is unlikely.

Daddy's Junky Music Stores, 109 F3d at 282 (6th Cir 1997) (citation omitted). Goods and services are "related" if "buyers are likely to believe that "the goods or services "come from the same source, or are somehow connected with or sponsored by a common company." *Homeowners Grp*, 931 F2d at 1109; *see Wynn Oil Co*, 839 F2d at 1187. Plaintiff's trademark is registered to the class of pork and beef products. (Ex. 6). The name of Defendants' competing enterprise, Sanders Meat Company, as well as each of its various assumed names filed with LARA (such as, "Sanders Ham Company" and "Sanders Jerky Company"), and proposed operations indicate that the entity is a direct competitor. (Exs. 3-5). In fact, if Defendants are able to continue while misappropriating Plaintiff's recipes and other information, the goods will in fact be identical.

c. The Similarity of the Marks Creates a High Risk of Confusion.

In evaluating similarity of the marks, "a court must determine, in the light of what occurs in the marketplace, whether the mark will be confusing to the public when singly presented." *Wynn Oil Co*, 839 F 2d at 1187-88 (internal citations omitted). The Sixth Circuit has held that the "proper analysis of similarity includes examining the pronunciation, appearance, and verbal translation of conflicting marks." *Id.* Moreover, where both parties " use the exact term . . . which obviously is pronounced, and verbally translated in exactly the same way[.]" may confuse consumers. *Id.* Given the Defendants use of the same exact term, "Sanders" creates a very high risk of confusion in the marketplace, and, therefore, this factor weighs in favor of Plaintiff.

d. Defendants' Knowledge Establishes a Clear Intent to Infringe.

Defendants cannot dispute their knowledge of Plaintiff's mark. Defendants obvious intent to infringe weighs in favor of the Company. This factor alone "may be sufficient to justify the inference that there is confusing similarity." *Amstar Corp v Domino's Pizza, Inc*, 615 F 2d 252, 263 (5th Cir.), cert denied, 449 US 899, 101 S Ct 268 (1980). "Although wrongful intent is not an absolute requirement to a finding of likelihood of confusion, such an intent is strong evidence that confusion will result." *Empire Nat'l Bank v Empire of America FSA*, 559 F Supp 650, 657 (WD Mich 1983). "Intent to infringe can be shown by circumstantial evidence." *Blockbuster Entm't Grp v Laylco, Inc*, 869 F Supp 505, 514-515 (ED Mich 1994); see also *Wynn Oil Co*, 839 F.2d at 1186.

Moreover, the weight given to this factor may increase with the egregiousness of the defendant's conduct. See, e.g., *Wynn Oil Co v American Way Serv Corp*, 736 F Supp 746, 753–754 (ED Mich 1990), *aff'd in part and rev'd in part*, 943 F2d 595 (6th Cir 1991). Both Defendants were affiliated with the Plaintiff company, up until November 2020. The mark appeared all over the Company's website, Facebook account, in signage throughout the stores and billboards, and even in their packaging. They were aware of the trademark registration that was filed on behalf of the Company. As stated above, willful infringement alone "may be sufficient to justify an inference of confusing similarity." *Pita Delight*, 24 F Supp 2d at 802 (quoting *Homeowners Group Inc v Home Marketing Specialists Inc*, 931 F2d 1100, 1111 (6th Cir 1991)).

While, as discussed above, the eight-factor test serves as a guide and therefore a plaintiff need not prevail on each to establish a likelihood of confusion, the remaining factors either are not applicable or weigh in Plaintiff's favor here as well. For example, regarding the likelihood of expansion of product lines, due to the close proximity of Defendants' new business, it need not expand at all to be marketed to the same consumers of Plaintiff. See, *Homeowners Group Inc.*, 931 F.2d at 1111 ("a 'strong possibility' that either party will expand his business to compete with the

other or be marketed to the same consumers will weigh in favor of finding that the present use is infringing”). Accordingly, this factor also weighs in favor of Plaintiff. Additionally, with respect to the degree of purchaser care (which itself is not likely to be particularly high), the fact that the Defendants have a familial relationship with the shareholders of the Company and have been employed by the Company up until very recently, will undoubtedly cause confusion in the market almost irrespective of the degree care.

2. Plaintiff is Imminently Likely to Suffer Irreparable Injury if a TRO is Not Granted.

An irreparable harm is a "noncompensable injury for which there is no legal measurement of damages or for which damages cannot be determined with a sufficient degree of *certainty*." *Thermatool Corp v Borzym*, 227 Mich App 366, 377 (1998). That includes "loss of customer goodwill." *Basicomputer Corp v Scott*, 973 F 2d 507, 512 (6th Cir 1992) ("The loss of customer goodwill often amounts to irreparable injury because the damages flowing from such losses are difficult to compute."). The loss of consumer goodwill and the weakened ability to fairly compete that would result from disclosure of trade secrets has been held to establish irreparable injury. *Lowry Computer Prods v Head*, 984 F Supp 1111 (ED Mich 1997) (citing *Basicomputer Corp*, 973 F2d at 512).

As the United States District Court for the Eastern District of Michigan recognized in *Kelly Servs. v. Noretto*, 495 F Supp 2d 645, 659 (ED Mich 2007), where the plaintiff sought to prevent a former employee from working for a competitor:

Absent an order for preliminary injunction, it appears that Defendant's expansive knowledge of Kelly's business systems and operations will result in a loss of the customer goodwill developed by Kelly. Furthermore, Kelly will be forced to labor under the burden of unfair competition as a result of the informational asymmetry presented by its direct competitor having an employee with intimate knowledge of its operations. Because the resulting losses suffered by Kelly are so indefinite and speculative in scope, the harm is irreparable. [*Id.*].

Here, Defendants' actions in setting up a competing business that wrongfully uses the Company's trade secrets and a confusingly similar trademark will imminently cause irreparable harm to the Company's goodwill and reputation, as well as damage to its sales, revenues, and profits in an amount that cannot be readily determined. The interference with the Company's recipes, and the clear actions toward opening up the new location of their competing enterprise - weeks after substantial funds from Plaintiff's bank account, and in violation of the Company's governing documents, underscores the urgency of the matter and the need for an immediate injunction to protect the Company. Plaintiff will suffer irreparable harm because its damages will be difficult to compute, including loss of customer goodwill that will inevitably result.

Moreover, "[i]n the context of an action for trademark infringement, a presumption of irreparable harm attaches once the moving party demonstrates a probability of success on the merits." *Pita Delight*, 24 F Supp 2d at 799. "The irreparable injury flows both from the potential difficulty of proof of plaintiff's damages, and also from the impairment of intangible values." *Blockbuster*, 869 F Supp at 515. Similarly, "[t]he Sixth Circuit held that irreparable injury, in an unfair competition action, 'ordinarily follows when a likelihood of confusion or possible risk to reputation appears.'" *Wynn Oil Co v American Way Serv Corp*, 943 F2d 595, 608 (6th Cir 1991). In addition to the trade secret misappropriation and given the clear trademark infringement and unfair competition by Defendants, the Court should find that irreparable injury is imminent.

3. The Balance of Harms Weighs Heavily in Favor of Granting the TRO

In balancing the hardships, a court necessarily considers whether the injury to the plaintiff outweighs the damage an injunction may cause the opposing party. *Stormor, Div of Fuotia Industries, Inc v Johnson*, 587 F Supp 275, 280 (WD Mich 1984). The balance of potential harms in this case overwhelmingly and without question favors granting injunctive relief. Plaintiff is merely seeking to protect its proprietary information and its trademarks that have come to define

their products. The relief requested constitutes a mere preservation of the status quo, and to prevent injury to the Company as a result of Defendants' improper use of information they became privy to only through their trusted association with the Company. Indeed, Defendant have no legitimate interest in using Plaintiff's trade secrets or trademarks, and Defendants' intentional infringement cuts against consideration of any perceived harm to them as they have "brought this harm upon [themselves]." *See Kelly Servs v Eidnes*, 530 F Supp 2d 940, 952 (ED Mich 2008). The balance of harms weighs heavily in favor of granting injunctive relief.

4. Protecting the Company's Proprietary Information Against Unlawful Use and Preventing Confusion in the Marketplace Advances the Public Interest.

Issuing a temporary restraining order will advance the public interest because it will prevent confusion in the market. "Trademark laws are designed to prevent consumer confusion and to protect the right of the trademark owner to control its product's reputation." *Blockbuster*, 869 F Supp at 516. Moreover, granting relief promotes the public's interest of enforcing legislatively enacted provisions, such as the MUTSA. *Noretto*, 495 F Supp 2d at 661.

CONCLUSION AND RELIEF REQUESTED

For the forgoing reasons, Plaintiff respectfully requests that this Honorable Court enter an order, in a form substantially the same as **Exhibit 1**, issuing a Temporary Restraining Order and Order to Show Cause Defendants as to why a Preliminary Injunction should not be issued.

Respectfully submitted,

ROSSMAN, P.C.



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Dated: January 19, 2021

Exhibit 1

**STATE OF MICHIGAN
IN THE CIRCUIT COURT FOR THE COUNTY OF MASON**

JOS. SANDERS, INC, d/b/a Sanders Meats,
a Michigan corporation,

Case No. 2020 - 347 -CB
Hon. Susan Kasley Sniegowski

Plaintiff/Counter-Defendant,

v.

ALEC SANDERS, an individual,
COREY SANDERS, an individual,
jointly and severally,

Defendants/Counter-Plaintiffs,

and

ALEC SANDERS, an individual,
COREY SANDERS, an individual,

Third Party Plaintiffs,

v.

DEREK SANDERS, an individual
CARLTON SANDERS, an individual, and
DAVID SANDERS, an individual,

Third Party Defendants.

**[PROPOSED] TEMPORARY
RESTRAINING ORDER,
SHOW-CAUSE ORDER, AND
HEARING ON PRELIMINARY
INJUNCTION**

ROSSMAN P.C.

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**[PROPOSED] ORDER GRANTING
PLAINTIFF’S MOTION FOR A TEMPORARY RESTRAINING ORDER,
SHOW-CAUSE ORDER, AND HEARING ON PRELIMINARY INJUNCTION**

At a session of said Court held in the City of Ludington,
County of Mason, State of Michigan

On: _____

PRESENT: _____
Hon. Circuit Court Judge

This matter having come before the Court upon Plaintiff’s Motion for a Temporary Restraining Order, Show-Cause Order, and Hearing on Preliminary Injunction (“Plaintiff’s Motion”);

Having reviewed Plaintiff’s Motion and Brief in Support, along with the Affidavits in support and exhibits attached thereto, and it appearing therefrom to this Court that this is a proper instance for the issuance of a Temporary Restraining Order, that irreparable injury would result to Plaintiff before the matter could be heard on motion and good cause appearing therefor:

IT IS HEREBY ORDERED that a Temporary Restraining Order against Defendants be and hereby is issued, and pursuant thereto it is further **ORDERED**:

1. That Defendants, and their agents and representatives, and each of them, and all corporations, unincorporated associations and natural persons acting in concert with Defendants, are restrained and enjoined from doing, threatening, or attempting to do, either directly or indirectly, any of the following acts:
 - a. Using or disclosing any trade secrets, confidential information, or proprietary information of Plaintiff;
 - b. Doing business under the name “Sanders Meat Company”, or any other name confusingly-similar to “Sanders Meat(s)”;

- c. Using, in any manner, the term “Sanders” or “Sanders Meat(s)” and/or any confusingly-similar designation alone or in combination with other words or designs as a trademark, trade name component, or otherwise, to market, advertise, or identify any product and/or service not produced, offered, or authorized by Plaintiff;
 - d. Otherwise infringing upon Plaintiff’s valid trademarks, or unfairly competing with Plaintiff in any manner whatsoever;
- 2. Each of the Defendants is hereby affirmatively ordered to deliver to Plaintiff (either through Plaintiff’s counsel at the address provided above, or at its office located at 237 Custer Road, Custer, Michigan) within 72 hours of entry of this Order, all Plaintiff’s confidential and proprietary information, included but not limited to Plaintiff’s recipes, whether in written form or electronically stored. Defendants shall not modify, alter, or destroy any information, in any format, containing Plaintiff’s confidential information.
- 3. Defendants agree to the transfer of the Company’s Facebook Page (with the URL address: <https://www.facebook.com/sandersmeats1925>) and agree to provide reasonable assistance in effectuating such transfer of ownership from Defendant Alec Sanders to Carlton Sanders, David Sanders, Derek Sanders, or any other individual or entity designated by Plaintiff.

IT IS FURTHER ORDERED that Defendants shall appear before the Court on _____, 2021, at _____ a.m. / p.m. to show cause why a preliminary injunction should not be issued against them, to remain in effect during the

pendency of this action according to the terms and conditions requested by Plaintiff, and that this Order will remain in force until that time or such time when the hearing occurs.

SO ORDERED.

This is not a final order and does not close the case.

CIRCUIT COURT JUDGE

Exhibit 2

**STATE OF MICHIGAN
IN THE CIRCUIT COURT FOR THE COUNTY OF MASON**

JOS. SANDERS, INC, d/b/a Sanders Meats,
a Michigan corporation,

Case No. 2020 - 347 -CB
Hon. Susan Kasley Sniegowski

Plaintiff/Counter-Defendant,

v.

ALEC SANDERS, an individual,
COREY SANDERS, an individual,
jointly and severally,

**PLAINTIFF'S FIRST
AMENDED COMPLAINT**

Defendants/Counter-Plaintiffs,

and

ALEC SANDERS, an individual,
COREY SANDERS, an individual,

Third Party Plaintiffs,

v.

DEREK SANDERS, an individual
CARLTON SANDERS, an individual, and
DAVID SANDERS, an individual,

Third Party Defendants.

THE ABOVE IS A TRUE COPY

JAN 13 2021

51st Circuit Court

ROSSMAN, P.C.

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Plaintiffs/Third Party Plaintiffs*

PLAINTIFF'S FIRST AMENDED COMPLAINT

Plaintiff/Counter-Defendant, Jos. Sanders, Inc. ("Plaintiff" or "the Company"), by and through its attorneys, Rossman, P.C., and for its First Amended Complaint against Defendants/Counter-Plaintiffs Alec Sanders and Corey Sanders (collectively referred to as, "Defendants"), states as follows:

PARTIES, JURISDICTION, AND VENUE

1. This case arises out of the various conversions, extortions, embezzlements, slanders and artifices perpetrated by Defendants Alec and Corey Sanders against their family business. Demand has been made upon them to immediately refrain from such unlawful conduct and return stolen monies and trade secrets, but they have failed to comply thus necessitating the instant litigation. At all times, the Defendants acted in bad faith and with malicious intent, as the documentary record shows, and, thus, in addition to treble damages, Defendants are liable for exemplary damages.

2. Plaintiff Jos. Sanders, Inc. (hereinafter referred to as, "Plaintiff" or "the Company"), is a Michigan corporation with its principal offices in Mason County, Michigan and which otherwise conducts business in Mason County, Michigan.

3. Defendant Alec Sanders is an individual who is domiciled in Mason County, Michigan.

4. Defendant Corey Sanders is an individual who is domiciled in Mason County, Michigan.

5. The wrongful conduct and the transactions described herein occurred, and continue to occur, primarily in Mason County, Michigan.

6. The amount in controversy is in excess of \$25,000.00, exclusive of interest, attorney fees, and costs.

7. Jurisdiction and venue are properly laid in this Court.

FACTUAL BACKGROUND

8. The Company is a family owned and operated business founded in 1925 and was incorporated under Michigan law on June 27, 1960. The Company has continued to serve the meat processing industry for decades.

9. While the Company was named after its founder, Joseph Sanders, the Company eventually began to use the tradename, Sanders Meats, and as its own brand – Sanders. In fact, in October 2017, the Company registered its trademark for “Sanders” with the U.S. Patent and Trademark Office.

10. At all relevant times herein, the Company’s Board Members consisted of David Sanders (President), Derek Sanders (Treasurer), Carlton Sanders (Secretary and second Vice President); and Alec Sanders (First Vice President), all of whom held and hold certain fiduciary duties to the Company, prohibiting, among other things, the misappropriation and embezzlement of company assets.

11. Defendant Corey Sanders was an employee of the Company, and though he never held any membership interest therein nor any position on the Company’s board of directors, he too owed various fiduciary duties and other obligations to the Company.

12. In his position on the Board of Directors for the Company, Alec had access to the Company’s financial documents and records, digital data and accounts, as well as other proprietary and confidential documents belonging to the Company – such as Company recipes for its various meat products, which are integral to the Company’s business.

13. In addition to the meat processing and butchering services that the Company offers, a large portion of the Company's revenue comes from the sales of the various meat products the Company offers.

14. The Company's recipes for its various meat products were developed throughout the years by the founder of the Company, its members and/or employees on behalf of the Company. In essence, these secret family recipes serve as the foundation of the business.

15. Throughout the years, the Company continued to develop and enhance these signature recipes, as well as continuing to develop entirely new recipes, allowing it to expand its product line to include many additional meat products and goods for the Company to sell to its customers (including direct consumer sales and wholesale clients).

16. The development of these recipes required significant efforts on behalf of the Company and its personnel. Developing recipes required several tests and trials (and, in turn, time), utilizing different spicing and ingredient combinations, cooking and preparing techniques, etc., in order to create signature flavors.

17. Given the nature of its business as a meat processing facility, in accordance with federal regulations, the Food Safety and Inspection Service (FSIS) arm of the U.S. Department of Agriculture ("USDA") is mandated to conduct ongoing, continuous inspections of the Company.

18. USDA inspection program personnel determine product compliance, which may call for consulting the Company's documents, including its "formulas" or recipes, to ensure, among other things, use of approved ingredients pursuant to applicable regulations and/or directive.

19. The Company maintains its various recipes in hardcopy format ("the Recipe Book"), which allows it to provide the recipes for its products to the USDA inspectors upon

request, in a file cabinet accessible only to the following five individuals: Carlton Sanders, David Sanders, Derek Sanders, and Defendants Alec and Corey Sanders. During inspections, access was also given to the USDA inspector(s).

20. Moreover, the building where the sales office is located remained locked outside of business hours, and only Carlton Sanders, David Sanders, Derek Sanders, and Defendants had keys to the building.

21. The Recipe Book contains approximately 100 recipes, including the Company's secret jerky recipes, as well as recipes for other meats, such as the Sanders Original Hams that the Company is well and widely known for, and others that Plaintiff prepares and then sells to its customers. Indeed, it is the popularity of these products that largely drives the Company's popularity and continued success.

22. Due to the proprietary nature of the recipes, and the time and effort that went into generating each of its recipe therein, the Sanders family – including Defendants - expressly and/or impliedly understood that the Company's product recipes would be kept strictly confidential.

23. Additionally, Defendant Alec Sanders opened a Capital One Business credit card in the name of the Company, listing himself as the primary owner and therefore having exclusive control thereof, which he subsequently used for personal expenses.

24. Between May and August 2020, and unbeknownst to the Company, Defendants Alec Sanders and Corey Sanders caused certain checks in the sum of \$90,000 each to be issued to themselves, in violation of not only the Company's corporate governance but in violation of various civil and criminal statutes prohibiting embezzlement and misappropriation of property.

25. In fact, Defendants acted in concert in issuing said checks whereby Defendant Alec would sign the checks that were made payable to Defendant Corey, while Defendant Corey signed

the checks that were payable to Defendant Alec. It is also believed that these Defendants communicated through interstate wires in furtherance of this scheme to misappropriate funds, which fact will be investigated through discovery in this matter.

26. In fact, under Article 5, Section 3 of the Company By-Laws, only an officer or agent of the Company that is authorized by its board of directors may issue checks on behalf of the Company. Neither Defendant Alec Sanders, nor Corey Sanders, were ever authorized to do so.

27. A meeting of the Company's Board of Directors was held on August 19, 2020.

28. Although not a member of the Board, due to his familial relationship and his significant employment position with the Company, Defendant Corey Sanders was invited to attend the Board of Directors Meeting on August 19, 2020.

29. During the August Board Meeting, the parties discussed, among other things, the fact that Defendant Corey would not be made a shareholder of the Company, adherence to the Company's bylaws, and that checks written to employees as an "advance" of their salary would not be allowed unless otherwise approved by the Board. Any equipment purchases made on behalf of the Company would also require Board approval.

30. Following this, however, on November 4, 2020, Defendants Alec Sanders and Corey Sanders caused to be issued checks from the Company's bank account payable to each other and in the amounts of \$121,150 each. These checks were issued without the knowledge of the Company's board members, and in violation of the Company's corporate governance and various civil and criminal statutes.

31. Defendants are liable for treble damages as to all Company property misappropriated, and demand is hereby reiterated for the immediate return thereof, as previous demands have been ignored.

32. On November 16, 2020, and unbeknownst to the Company or its board members, Defendant Alec Sanders, who, on information and belief was acting in concert with Defendant Corey Sanders, incorporated Sanders Meat Company.

33. On information and belief, Defendants intend to operate this competing enterprise at a location eight miles down the road from Plaintiff. Therefore, Defendants are intending to service the same geographic area as Plaintiff.

34. On November 19, 2020, Defendant Alec Sanders purported to resign from the Company, whereafter, on November 23, 2020, Defendant Corey Sanders likewise issued written correspondence to the Company stating that he would be resigning his position therein.

35. Prior to Defendants' purported resignations, however, and unbeknownst to Plaintiff or its remaining members, Defendants, while acting in concert, unlawfully took possession of Plaintiff's jerky recipes from its Recipe Book, which maintained the sole copies of many of Plaintiff's proprietary recipes.

36. In fact, the entire file of the Company's jerky recipes was taken from the filing cabinet in that sales office that only the Company's shareholders and the Defendants had access to.

37. Furthermore, Company information that would have been accessible to Defendants through their affiliation with the Company, were moved around, and appeared to have been gone through and copied.

38. On information and belief, Defendants wrongfully acquired these trade secrets in order to use same in the development of their new venture – which would directly compete with Plaintiff's business. Furthermore, on information and belief, Defendants intend to make consumers believe that Plaintiff and their competing company are affiliated.

39. Following the Defendants departure from the Company, Plaintiff discovered its sales data, including cash and credit card data and records, which was stored separately from the Company's recipes, was also missing from the filing cabinet that only Carlton Sanders, David Sanders, Derek Sanders and Defendants had access to.

40. Moreover, within the written correspondence he provided to the Company, Defendant Alec Sanders, who maintained the Company's tax records and filing documents, acknowledged possession of tax records and other documents belonging to the Company, demanding compensation in exchange for their return.

41. Defendants, either in their individual capacities or through an entity owned by Defendant,¹ entered into a purchase agreement to purchase the property located at 3815 W U.S. 10 in Amber Township, Michigan – also located in Mason County (“Highway 10 Property”).

42. Furthermore, in early December 2020, Defendants, through counsel, sought to obtain zoning approval (or a determination from the Zoning Administrator) from Mason County for Defendants, through an affiliated company, to operate a retail meat market and processing facility – offering the same meat processing services and retail sales / wholesale distribution of the same type of meat products offered by the Company - at the Highway 10 Property.

43. On January 4, 2021, Defendant Alec Sanders submitted articles of incorporation with LARA for the creation of a new entity, Great Lakes Smokehouse Meat Company.

¹ Defendant Alec Sanders recently filed articles of organization and articles of incorporation with the Michigan Department of Licensing and Regulatory Affairs (LARA), for the creation of the following entities: Highway 10 Investments, LLC, Sanders Meat Company, and Great Lakes Smokehouse Meat Company. The articles for each were filed by LARA on August 21, 2020, November 16, 2020, and January 11, 2021, respectively.

44. On information and belief, the due diligence period granted in the purchase agreement of the Highway 10 Property expired January 10, 2021, and the sale of the Highway 10 Property has now closed.

45. Defendants are preparing to operate a competing company, less than 10 miles from the Company's location, to provide services identical to those offered by the Company, and to sell meat products created using the Company's proprietary information and trade secrets.

46. While secretly obtaining Company funds through artifice and deceit, on information and belief, Defendants Alec Sanders and Corey Sanders at all times acted in concert with one another to form a business to directly compete with the Company, and while utilizing the Company's proprietary information that Defendant Alec Sanders had access to in his role on the Company's board and infringing upon the intellectual property of the Company.

47. At all times, the Defendants acted in concert with one another to accomplish the unlawful ends set forth herein, and, in doing so, employed interstate mails and wires to communicate their criminal intentions and the various predicate acts which culminated in the misappropriation of cash assets, trade secrets, books and records and various other property, intellectual and otherwise, of the Company.

48. In furtherance of the Defendants' scheme and conspiracy to defraud the Company, misappropriate its assets and otherwise damage the reputation and standing of the Company and its principals in the community, they have sought to extort the Company and its principals, threatened slander and defamation, and sought to directly compete with the same or similar name to sow confusion in the marketplace.

COUNT I

COMMON LAW CONVERSION

49. Plaintiff realleges and restates all allegations as set forth in this Complaint.

50. Defendants Alec Sanders and Corey Sanders acted willfully and wrongly asserted dominion over Company funds, and which were taken in denial of the Company's rights thereto.

51. Defendants Alec Sanders and Corey Sanders knowingly converted the funds belonging to the Company, through the unauthorized administration of checks to themselves and each other, of which Defendants had access to by virtue of their employment with the Company, thereby utilizing the funds for their own benefit.

52. Defendant Alec Sanders knowingly converted Company funds for his own use and benefit by paying personal and unauthorized expenses with the Company's Capital One Credit Card.

53. Furthermore, Defendants Alec Sanders and Corey Sanders knowingly converted the Company's jerky recipes, and other confidential and proprietary information belonging to the Company, for their own use and benefit in starting a business in direct competition to the Company.

54. Defendants Alec Sanders and Corey Sanders obtained said funds and documents belonging to the Company, without the Company's consent, and which they were not entitled to.

55. As a result of Defendants' conversion and/or embezzlement of the Company funds, Plaintiff is entitled to damages, plus all costs, interest and attorney fees.

WHEREFORE, as to Count I, Plaintiff respectfully requests the Court enter a judgment in Plaintiff's favor and against Defendants, jointly and severally, in an amount to be determined, plus reasonable attorney fees, costs, and interest.

COUNT II

STATUTORY CONVERSION MCL 600.2919a

56. Plaintiff realleges and restates all allegations as set forth in this Complaint.

57. Defendants Alec Sanders and Corey Sanders concealed, embezzled or converted Plaintiff's property and funds to their own use in violation of MCL 600.2919a.

58. Defendants Alec Sanders and Corey Sanders knowingly converted the Company funds by issuing several check payments to themselves and/or to each other, without authority to do so, and without disclosing same to the Company in order to keep the funds for their own benefit and use.

59. Defendant Alec Sanders knowingly converted Company funds for his own use and benefit by paying personal and unauthorized expenses with the Company's Capital One Credit Card.

60. Moreover, Defendants Alec Sanders and Corey Sanders knowingly converted the Company's jerky recipes, and documents and other proprietary information belonging to the Company, for their own use, in connection with their establishment of a competing enterprise.

61. Pursuant to MCL 600.2919a, Plaintiff is entitled to recover three times the amount of actual damages sustained, plus costs and reasonable attorney fees.

WHEREFORE, as to Count II, Plaintiff respectfully requests the Court enter a judgment in Plaintiff's favor and against Defendants, jointly and severally, in the amount of \$1,266,900.00, plus reasonable attorney fees, costs, and interest.

COUNT III
CIVIL CONSPIRACY

62. Plaintiff incorporates the foregoing allegations as if fully set forth herein.

63. Defendants Alec Sanders and Corey Sanders illegally, maliciously, and wrongfully conspired with one another with the intent to and for the illegal purpose of converting the Company's property for their own use and benefit.

64. Defendants Alec Sanders and Corey Sanders conspired to embezzle the Company's funds to enrich themselves, while converting the Company's proprietary information for use in their competing company which they incorporated in secret and without the Company's knowledge.

65. As a result of the conspiracy and Defendant Alec Sanders and Corey Sanders' illegal, wrongful, or tortious acts, Plaintiff sustained significant damages.

66. Defendants Alec Sanders and Corey Sanders are liable to Plaintiff for all of its injuries and resulting damages.

WHEREFORE, as to Count III, Plaintiff respectfully requests the Court enter a judgment in Plaintiff's favor and against Defendants, jointly and severally, in an amount to be determined, plus reasonable attorney fees, costs, and interest.

COUNT IV

MISAPPROPRIATION OF TRADE SECRETS UNDER MCL 445.1901 *et seq.*

67. Plaintiff incorporates the foregoing allegations as if fully set forth herein.

68. Plaintiff has trade secrets in the meat processing industry, including, among other things, Plaintiff's Recipe Book and the recipes contained therein.

69. Plaintiff's Recipe Book has independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use.

70. The recipes contained in the Recipe Book include those that were created when the Company was founded and have continuously been refined and expanded to include updated and new recipes for various products, which were created by, or on behalf of, Plaintiff.

71. Plaintiff has expended considerable time, effort, and money into creating the secret recipes in the Company's jerky recipes and its Recipe Book overall as, at a minimum, several weeks of preparation and different testing techniques are required for the development of a single recipe.

72. At all times, Plaintiff expended reasonable efforts under the circumstances to maintain the secrecy of the formular and recipes contained within the Recipe Book.

73. The Recipe Book was kept secure in a file cabinet accessible only to five people and the USDA inspector, within the sales office of the building which also had restricted access, and which never left unsupervised except for outside of business hours when the building remained locked. The recipes were never taken out of the office, except to make them available for inspection to government authorities, such as USDA.

74. Defendant Corey Sanders and Defendant Alec Sanders willfully and maliciously misappropriated Plaintiff's trade secrets by using, disclosing, and unlawfully taking possession of the physical copy of the jerky recipes, and otherwise copying the recipes within the Company's Recipe Book without Plaintiff's implied or express consent.

75. Upon information and belief, Defendants are using the Company's recipes in their new business venture, which they created in secret while owing fiduciary duties to the Company.

76. Defendant Corey Sanders and Defendant Alec Sanders acquired the Company's recipes under circumstances giving rise to a duty to maintain their secrecy because Defendant Alec Sanders was previously an officer of the company and both Defendants knew that those recipes were confidential and proprietary information, carefully guarded so that competitors would not obtain them.

WHEREFORE, as to Count IV, and all Counts pled herein, and in subsequent amendments, Plaintiff respectfully requests the Court enter a judgment in Plaintiff's favor and against Defendants, jointly and severally, in an amount to be determined, plus reasonable attorney fees, costs, and interest.

COUNT V

TRADEMARK INFRINGEMENT UNDER MCL 429.31 *et seq.*

77. Plaintiff incorporates the foregoing allegations as if fully set forth herein.

78. Plaintiff has a valid trademark and is the owner of all rights, title, and interest in the trademark "Sanders" which has an effective registration date of October 10, 2017.

79. Plaintiff has continuously used its trademark in commerce since at least 1960.

80. Plaintiff has a protectable interest in its trademark, which, due to its association with the Company, has acquired a secondary meaning for purposes of trademark protection.

81. Defendant Alec Sander and Defendant Corey Sanders have, without Plaintiff's consent used and continue to use Plaintiff's trademark in commerce, or counterfeits, copies, reproductions, or colorable imitations of it in connection with Defendants' competing enterprise.

82. Defendants' actions constitute infringement under MCL 429.42.

83. Defendants' use of the trademark is deliberate, willful, and wanton.

84. Defendants' use of the trademark or counterfeits, copies, reproductions, or colorable imitations of it has been and continues to be done with the intent to cause confusion in the marketplace, to deceive consumers concerning the source or sponsorship of Defendants' goods and services.

85. Plaintiff has been and continues to be injured, including irreparable injury to Plaintiff, by Defendants' use of the trademark.

WHEREFORE, as to Count V, and all Counts pled herein, and in subsequent amendments, Plaintiff respectfully requests the Court enter a judgment in Plaintiff's favor and against Defendants, jointly and severally, in an amount to be determined, plus reasonable attorney fees, costs, and interest.

COUNT VI

TRADEMARK INFRINGEMENT UNDER THE LANHAM ACT, 41 U.S.C. § 1114.

86. Plaintiff incorporates the foregoing allegations as if fully set forth herein.

87. Plaintiff is the owner of all rights, title, and interest in the trademark "Sanders" ("Trademark"), which was registered with the U.S. Patent and Trademark Office, with an effective registration date of October 10, 2017. Plaintiff has continuously used the Trademark in connection with its meat packing business since at least 1960.

88. Defendant Alec Sanders and Defendant Corey Sanders have, without Plaintiff's consent used and continue to use in commerce the Trademark or counterfeits, copies, reproductions, or colorable imitations of it in connection with Defendants' competing enterprise.

89. Defendants' actions constitute infringement under 15 U.S.C. § 1114.

90. Defendants' use of the Trademark is deliberate, willful, and wanton.

91. Defendants' use of the Trademark or counterfeits, copies, reproductions, or colorable imitations of it has been and continues to be done with the intent to cause confusion and mistake and to deceive consumers concerning the source or sponsorship of Defendants' goods and services.

92. Defendants' use of the Trademark in their new business will cause confusion among consumers in the marketplace as Plaintiff has used the Trademark in its business.

93. Plaintiff has been and continues to be injured, including irreparable injury to Plaintiff, including, *inter alia*, loss of goodwill, business customers, and financial revenue, by Defendants' use of the Trademark.

94. The Lanham Act permits the recovery of treble damages and, in exceptional cases, attorney fees for infringement of a federally registered mark. 15 USC 1117.

WHEREFORE, as to Count VI, and all Counts pled herein, and in subsequent amendments, Plaintiff respectfully requests the Court enter a judgment in Plaintiff's favor and against Defendants, jointly and severally, in an amount to be determined, plus reasonable attorney fees, costs, and interest.

COUNT VII

TRADEMARK INFRINGEMENT / UNFAIR COMPETITION UNDER THE LANHAM ACT, 41 U.S.C. § 1125(a)(1)(A).

95. Plaintiff incorporates the foregoing allegations as if fully set forth herein.

96. Plaintiff has used its Trademark in commerce to designate its goods and meat processing, butchering, and distribution services the Company provides, since the Company was founded in 1925, and continuously since at least 1960.

97. Defendant Alec Sander and Defendant Corey Sanders have, without Plaintiff's consent used and continue to use in commerce the Trademark or counterfeits, copies, reproductions, or colorable imitations of it in connection with Defendants' competing enterprise.

98. Defendants' actions constitute infringement under 15 U.S.C. § 1125(a)(1)(A).

99. Defendants' use of the Trademark is deliberate, willful, and wanton.

100. Defendants' use of the Trademark or counterfeits, copies, reproductions, or colorable imitations of it has been and continues to be done with the intent to cause confusion and mistake and to deceive consumers concerning the source or sponsorship of Defendants' goods and services.

101. Defendants' use of the Trademark in their new business will cause confusion among customers and in the marketplace as Plaintiff has used the Trademark in its business.

102. Plaintiff has been and continues to be injured, including irreparable injury to Plaintiff, including, *inter alia*, loss of goodwill, business customers, and financial revenue, by Defendants' use of the Trademark.

WHEREFORE, as to Count VII, and all Counts pled herein, and in subsequent amendments, Plaintiff respectfully requests the Court enter a judgment in Plaintiff's favor and against Defendants, jointly and severally, in an amount to be determined, plus reasonable attorney fees, costs, and interest.

COUNT VIII

TRADEMARK INFRINGEMENT AND UNFAIR COMPETITION UNDER MICHIGAN COMMON LAW

103. Plaintiff incorporates the foregoing allegations as if fully set forth herein.

104. Michigan law authorizes separate, parallel state-law claims for common law trademark infringement and unfair competition.

105. Plaintiff has a protectable Trademark for both its registered trademark, “Sanders”, and for “Sanders Meats” which it has used in commerce and has become well recognized as.

106. Defendant Corey Sanders and Defendant Alec Sanders have adopted a name that is confusingly similar to Plaintiff’s business name.

107. Defendants registered their new business as Sanders Meat Company.

108. This similarity will result in a likelihood of confusion among consumers who are using ordinary care.

109. Deception is the natural and probable result of Defendants’ acts.

110. Defendants registered their new business in Mason County, thus competing with Plaintiff in the same geographic area.

111. Defendants will also engage in product competition as they have unlawfully taken possession a book of Plaintiff’s jerky recipes and Defendants registered their new business with an assumed name of Sanders Jerky Company.

112. Plaintiff has been injured as a result of Defendants’ actions.

WHEREFORE, as to Count VIII, and all Counts pled herein, and in subsequent amendments, Plaintiff respectfully requests the Court enter a judgment in Plaintiff’s favor and against Defendants, jointly and severally, in an amount to be determined, plus reasonable attorney fees, costs, and interest.

COUNT IX

UNFAIR AND DECEPTIVE TRADE PRACTICES UNDER MICHIGAN CONSUMER PROTECTION ACT, MCL 445.901 et seq.

113. Plaintiff incorporates the foregoing allegations as if fully set forth herein.

114. Defendants are engaged in “trade or commerce” within the meaning of MCL 445.902(1)(g).

115. Plaintiff is a “person” within the meaning of MCL 445.902(1)(d).

116. Plaintiff is a person who has suffered a loss within the meaning of MCL 445.911(2).

117. Defendants registered their new business as the Sanders Meat Company.

118. Defendants have engaged in unfair, unconscionable, and deceptive methods, acts, and practices in the conduct of their trade by, *inter alia*, using Plaintiff’s Trademark in registering their new business.

119. Defendants action causes a probability of confusion or misunderstanding as to the source, sponsorship, or approval of goods or services in violation of MCL 445.903(1)(a) and (b).

WHEREFORE, as to Count IX, and all Counts pled herein, and in subsequent amendments, Plaintiff respectfully requests the Court enter a judgment in Plaintiff’s favor and against Defendants, jointly and severally, in an amount to be determined, plus reasonable attorney fees, costs, and interest.

COUNT X

BREACH OF FIDUCIARY DUTIES

120. Plaintiff incorporates the foregoing allegations as if fully set forth herein.

121. As a fiduciary, Defendants owed a duty of, among other things, loyalty, care, fair dealing, candor and prompt disclosure of material facts, and to act in good faith toward Plaintiff.

122. Defendants breached their fiduciary duties to Plaintiff by engaging in the unlawful schemes and enterprises set forth herein.

123. Furthermore, Defendants, in spite of their fiduciary duties, unlawfully converted Company funds in order to finance their competing business venture and have converted the Company’s confidential and proprietary information, including, *inter alia*, Company recipes, for their own use.

124. As a direct and proximate result of Defendants breaches of their fiduciary duties, Plaintiff has incurred significant damages.

125. Defendants' conduct set forth herein was wanton, willful, and malicious and Plaintiff is therefore entitled to exemplary damages.

WHEREFORE, as to Count X, and all Counts pled herein, and in subsequent amendments, Plaintiff respectfully requests the Court enter a judgment in Plaintiff's favor and against Defendants, jointly and severally, in an amount to be determined, plus reasonable attorney fees, costs, and interest.

Respectfully submitted,

ROSSMAN, P.C.

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Dated: January 13, 2021

Exhibit 3

AFFIDAVIT OF CARLTON SANDERS

STATE OF MICHIGAN)
) ss
COUNTY OF MASON)

That I, Carlton Sanders ("Affiant"), hereby swear and attest to the following:

1. That since March 1963, I have been a shareholder of the Plaintiff, Jos. Sanders, Inc. ("the Company"), which is a corporation duly organized under the laws of Michigan, and pursuant to the Michigan Business Corporations Act. Additionally, I have served on the Company's Board of Directors since 1960 and currently serve as the Secretary and Second Vice President on the Company's Board of Directors.

2. I am submitting this affidavit in support of Plaintiff's First Amended Complaint and Plaintiff's Motion for a Temporary Restraining Order, Show-Cause Order, and Preliminary Injunction.

3. I am personally familiar with the facts and circumstances alleged in Plaintiff's First Amended Complaint.

4. The Company was founded by my father, Joseph T. Sanders, and has been owned and operated by generations of the Sanders family since then.

5. The articles of incorporation for the Company were filed with the State of Michigan on or about June 27, 1960. Shortly thereafter, on July 7, 1960, the first meeting of the Board of Directors was held. During this meeting, the Company adopted its bylaws.

6. Alec Sanders became a shareholder of the Company and was elected to the Company's Board of Directors in January 2012. Once Alec became a shareholder and began serving on the Company's Board, the Board members and their respective roles consisted of:

David Sanders (President), Derek Sanders (Treasurer), myself (Secretary and second Vice President); and Alec Sanders (First Vice President).

7. Corey Sanders became an employee of the Company and commenced his employment on or about January 2, 2014. Corey has never been a shareholder of the Company, nor has he ever served on the Company's Board of Directors.

8. Alec Sanders' responsibilities at the Company included, among other things, maintaining the Company's financial and tax documents, Company advertising. Throughout his time as an employee and shareholder of the Company, Alec Sanders acquired intimate knowledge concerning the Company's recipes for its various meat products, and other confidential information regarding the Company's operations.

9. Corey Sanders' responsibilities as an employee included, primarily, procurement and purchasing duties, as well as some degree of sales responsibility. Throughout his employment with the Company, Corey Sanders acquired intimate knowledge concerning the Company's recipes for its various meat products, and other confidential information regarding the Company's operations.

10. The Company has been engaged in the business of meat distribution, butchering, and processing for several decades, and was named after its founder, Joseph Sanders. The Company's processing facility has been located within Custer, Michigan since at least 1960.

11. The Company has operated under the name "Sanders" and/or "Sanders Meats", since inception. The association with the Company and the name "Sanders Meats" is pervasive and well known throughout the community.

12. In addition to its signs, packaging, and apparel bearing the name, the Company operates its website, as well as its Facebook account, under the name “Sanders Meats.” The Company’s Facebook page is managed by Defendant Alec Sanders.

13. In October 2017, the Company registered its trademark for “Sanders” with the U.S. Patent and Trademark Office.

14. The Company’s revenue is generated through, in addition to its butchering and processing services, sales of its various meat products – both through direct-to-consumer purchases, and wholesale buyers. Retail sales of the Company’s meat products comprises a significant portion of the Company’s revenue.

15. The recipes for the Company’s meat products were developed by its founder, and/or its members or employees on behalf of the Company. Throughout the years, the Company continued to revise and improve upon these signature recipes, and continued to develop additional recipes, allowing it to expand its product line to include many additional meat products and goods to be sold.

16. I have first-hand knowledge and experience with the development of several of the Company’s recipes. Development of any given recipe generally would take weeks of trial-and-error testing to develop the right recipe. In addition to the time commitment required for recipe development, the testing phase required a lot of effort and resources spent in continuously preparing test batches.

17. The Company, being a meat processing facility, is subject to regular, continuous inspections by the U.S. Department of Agriculture (“USDA”). The Food Safety and Inspection Service (FSIS) arm of the USDA regularly conducts inspections at the Company’s premises.

18. During an inspection, upon request of a USDA inspector, the Company must provide certain information and documentation regarding its products, including the formula or recipes for its meat products.

19. The Company's products are unique and have advantages over competitor's products and are considered proprietary and confidential. Due to the proprietary nature of the recipes, the time and effort that went into generating each, and the significant economic value derived from them, it was either expressly and/or impliedly understood among Company personnel that the Company's recipes would be kept strictly confidential.

20. For years, the Company has kept its recipes in a secure location, in a file cabinet located in the sales office of the Company building, which has restricted access. In order to provide USDA inspectors with the recipes upon request, the Company kept the recipes in hardcopy format, in a file cabinet within the sales office.

21. The recipes contained therein included approximately 100 recipes, including the Company's various jerky recipes, as well as recipes for other meat products, such as the Sanders Original Hams that it is well and widely known for.

22. Up until their respective resignations with the Company, access to the file cabinet within the sales office has consistently been restricted to me, David Sanders, Derek Sanders, Alec Sanders, and Corey Sanders. No employees other than Corey Sanders were given access to the filing cabinet.

23. In his position on the Board of Directors for the Company, Alec had access to the Company's financial documents and records (such as tax documents), digital data and accounts (such as the Company's Facebook account and LARA information), as well as other

proprietary and confidential documents belonging to the Company – such as Company recipes for its various meat products, which are the integral to the Company’s business.

24. In the past, there were some discussions concerning the potential sale / transfer of my shares in the Company to Corey Sanders. However, an agreement was never reached and I have not transferred any of my shares in the Company to Corey Sanders, or any other individual or entity.

25. In August 2020, a meeting of Plaintiff’s Board and Directors and Defendant Corey was held, during which the Board discussed, among other things, the need for Board approval on checks or payments made of advanced salary and equipment purchases on behalf of the Company. The Board also notified Corey Sanders that he would not be made a shareholder of the Company at that time.

26. Despite the Board meeting that was held, and the discussions that ensued, on November 4, 2020, both Alec Sanders and Corey Sanders issued checks to one another from the Company’s account, in the amount of \$121,150.00 each. Neither had the authority to do so.

27. Thereafter, on November 16, 2020, unbeknownst to me and the other shareholders of the Company at the time, Alec Sanders incorporated Sanders Meat Company with the State of Michigan.

28. On November 19, 2020, Defendant Alec Sanders issued written notice to the Company that he resigned his position with the Company. A few days later, on November 23, 2020, Corey Sanders provided written correspondence of his resignation as well.

29. It was not until November 2020, that it was discovered that Alec Sanders had also filed documents on behalf of the Company with Michigan’s Department of Licensing and

Regulatory Affairs ("LARA") misrepresenting that I was no longer on the Company's Board of Directors, and, instead, naming Corey as a Board member although he never was nor has been.

30. Furthermore, I have been informed by various individuals within the community that Alec Sanders and Corey Sanders are planning to begin operations of their competing enterprise on a property recently sold, located at 3815 US-10, Ludington, MI 49431 ("Highway 10 Property").

31. It is believed that Alec Sanders and Corey Sanders, if not already, will soon actively solicit business from the Company's customers and suppliers, particularly in light of the very close proximity of the Highway 10 Property to the Company. Further, it is believed that Alec and Corey will use the Company's confidential information, such as its recipes for its various meat products the Company has become known for, for their own benefit and the benefit of their competing enterprise that was created in secret.

32. Furthermore, the operation of a competing business, such as "Sanders Meat Company" and various similar assumed names that Alec Sanders has filed with LARA, is extremely likely to create confusion throughout the marketplace as to the actual producer / seller of the meat products.

33. I believe this activity will cause irreparable damage to the Company because it will likely result in, not only misappropriated business opportunities and sales, but the loss of trade secrets, customer goodwill, and business reputation.

34. I hereby certify under penalty of perjury that the forgoing is true and correct.

FURTHER AFFIANT SAITH NOT.

AFFIANT:

Carlton Sanders
Carlton Sanders

Subscribed and sworn to before me
this 19 day of January, 2021.

Staci K. Wood
(Signature of Notary Public)

State of Michigan Notary Public
Mason County, Michigan

Acting in the County of Mason

My commission expires: May 31, 2025

STACI KAY WOOD
NOTARY PUBLIC - STATE OF MICHIGAN
COUNTY OF MASON
MY COMMISSION EXPIRES MAY 31, 2025
ACTING IN THE COUNTY OF Mason



Exhibit 4

AFFIDAVIT OF DAVID SANDERS

STATE OF MICHIGAN)
) ss
COUNTY OF MASON)

That I, David Sanders (“Affiant”), hereby swear and attest to the following:

1. That since February 1983, I have been a shareholder of the Plaintiff, Jos. Sanders, Inc. (“the Company”), which is a corporation duly organized under the laws of Michigan, and pursuant to the Michigan Business Corporations Act. Additionally, I serve as the President on the Company’s Board of Directors and have been on the Board since March 1983.

2. I am submitting this affidavit in support of Plaintiff’s First Amended Complaint and Plaintiff’s Motion for a Temporary Restraining Order, Show-Cause Order, and Preliminary Injunction.

3. I am personally familiar with the facts and circumstances alleged in Plaintiff’s First Amended Complaint.

4. Alec Sanders became a shareholder of the Company and was put on the Company’s Board of Directors in January 2012. Once Alec became a shareholder and began serving on the Company’s Board, the Board members and their respective roles consisted of: myself (President), Derek Sanders (Treasurer), Carlton Sanders (Secretary and second Vice President); and Alec Sanders (First Vice President), all of whom held and hold certain fiduciary duties to the Company.

5. Corey Sanders became an employee of the Company and commenced his employment on or about January 2, 2014. Corey has never been a shareholder of the Company, nor has he ever served on the Company’s Board of Directors.

6. Alec Sanders' responsibilities at the Company included, among other things, maintaining the Company's financial and tax documents, Company advertising. Throughout his time as an employee and shareholder of the Company, Alec Sanders acquired intimate knowledge concerning the Company's recipes for its various meat products, and other confidential information regarding the Company's operations.

7. As an employee of the Company, Corey Sanders' responsibilities included, primarily, procurement and purchasing duties, as well as some degree of sales responsibility. Throughout his employment with the Company, Corey Sanders acquired intimate knowledge concerning the Company's recipes for its various meat products, and other confidential information regarding the Company's operations.

8. The Company has been engaged in the business of meat distribution, butchering, and processing for several decades, and was named after its founder, Joseph Sanders.

9. For as long as I can remember, the Company has used the name "Sanders" and "Sanders Meats" in commerce. The association with the Company and the name "Sanders Meats" is pervasive and well known throughout the community.

10. In addition to its signs, packaging, and apparel bearing the name, the Company operates its website, as well as its Facebook account, under the name "Sanders Meats." The Company's Facebook page is managed by Defendant Alec Sanders.

11. Prior to their respective resignations, Alec Sanders and Corey Sanders continuously represented the Company as "Sanders Meats."

12. In October 2017, the Company registered its trademark for "Sanders" with the U.S. Patent and Trademark Office.

13. The Company's revenue is generated through, in addition to its butchering and processing services, sales of its various meat products – both through direct-to-consumer purchases, and wholesale buyers.

14. The recipes for the Company's meat products were developed by its founder, and/or its members or employees on behalf of the Company. Throughout the years, the Company continued to revise and improve upon these signature recipes, and continued to develop additional recipes, allowing it to expand its product line to include many additional meat products and goods to be sold.

15. I have first-hand knowledge and experience with the development of several of the Company's recipes. Development of any given recipe generally would take weeks of trial-and-error testing to develop the right recipe. In addition to the time commitment required for recipe development, the testing phase required a lot of effort and resources spent in continuously preparing test batches.

16. The Company, being a meat processing facility, is subject to regular, continuous inspections by the U.S. Department of Agriculture ("USDA"). The Food Safety and Inspection Service (FSIS) arm of the USDA regularly conducts inspections at the Company's premises.

17. During an inspection, certain Company information – such as the formula or recipes for the Company's products, must be provided to USDA inspectors upon request.

18. The Company's products are unique and have advantages over competitor's products and are considered proprietary and confidential. Due to the proprietary nature of the recipes, and the time and effort that went into generating each, it has been expressly

and/or impliedly understood by the Sanders family – including Alec and Corey - that such recipes would be kept strictly confidential.

19. For years, the Company has kept its recipes in a secure location, in a file cabinet located in the sales office of the Company building, which has restricted access. The building was locked outside of business hours. The only individuals that had keys to the building were: me, Derek Sanders, Carlton Sanders, Alec Sanders, and Corey Sanders.

20. In order to provide USDA inspectors with the recipes upon request, the Company kept the recipes in hardcopy format, in a file cabinet within the sales office.

21. The recipes contained therein included approximately 100 recipes, including the Company's various jerky recipes, as well as recipes for other meat products, such as the Sanders Original Hams that it is well and widely known for.

22. Up until Alec and Corey Sanders' respective resignation with the Company, access to the file cabinet in which recipes were stored, located within the sales office, has been restricted to me, Carlton Sanders, Derek Sanders, Alec Sanders, and Corey Sanders. No employees other than Corey Sanders were given access to the filing cabinet.

23. In his position on the Board of Directors for the Company, Alec had access to the Company's financial documents and records (such as tax documents), digital data and accounts (such as the Company's Facebook account and LARA information), as well as other proprietary and confidential documents belonging to the Company – such as Company recipes for its various meat products, which are the integral to the Company's business.

24. In August 2020, a meeting of Plaintiff's Board and Directors and Defendant Corey was held, during which the Board discussed, among other things, the need for Board approval on checks or payments made of advanced salary and equipment purchases on

behalf of the Company. The Board also notified Corey Sanders that he would not be made a shareholder of the Company.

25. Despite the Board meeting that was held, and the discussions that ensued, on November 4, 2020, both Alec Sanders and Corey Sanders issued checks to each other from the Company's account, in the amount of \$121,150.00 each. Neither had the authority to do so.

26. Thereafter, on November 16, 2020, unbeknownst to me and the other shareholders of the Company at the time, Alec Sanders incorporated Sanders Meat Company with the State of Michigan.

27. On November 19, 2020, Defendant Alec Sanders issued written notice to the Company that he resigned his position with the Company. A few days later, on November 23, 2020, Corey Sanders provided written correspondence of his resignation as well.

28. It was not until November 2020, that it was discovered that Alec Sanders had also filed documents on behalf of the Company with Michigan's Department of Licensing and Regulatory Affairs ("LARA") misrepresenting that Carlton Sanders was no longer on the Company's Board of Directors, and, instead, naming Corey as a Board member although he never was nor has been.

29. Furthermore, I have been informed by various individuals within the community that Alec Sanders and Corey Sanders are planning to begin operations of their competing enterprise on a property recently sold, located at 3815 US-10, Ludington, MI 49431 (the "Highway 10 Property") – 8 miles down the road from the Company.

30. A deed recorded with Mason County on January 12, 2021, reflects that the Highway 10 Property was conveyed to Highway 10 Investments, LLC, a Michigan limited

liability company in which Alec Sanders serves as the resident agent of, according to the records available on LARA.

31. There has already been some confusion in the market regarding the operations of a meat market / facility at the Highway 10 Property, as I have already been approached by several individuals within the community asking if the Company is relocating to the Highway 10 Property.

32. It is believed that Alec Sanders and Corey Sanders, if not already, will soon actively solicit the Company's business customers and suppliers. This is particularly true in light of the very close proximity of the Highway 10 Property to the Company. Further, I believe that Alec and Corey will use the Company's confidential information, such as its various recipes that have made the Company successful all of these years, for their own benefit and the benefit of their competing enterprise, which they created in secret.

33. Furthermore, their operation of a competing business, which they have registered as "Sanders Meat Company" and various similar assumed names according to LARA, is extremely likely to create confusion throughout the marketplace as to the actual producer / seller of the meat products.

34. This activity will cause irreparable damage to the Company because it will likely result in, not only misappropriated business opportunities and sales, but the loss of trade secrets, customer goodwill, and business reputation.

35. I hereby certify under penalty of perjury that the forgoing is true and correct.

FURTHER AFFIANT SAITH NOT.

AFFIANT:


David Sanders

Subscribed and sworn to before me
this 19 day of January, 2021.

Staci K. Wood
(Signature of Notary Public)

State of Michigan Notary Public
Mason County, Michigan

Acting in the County of Mason

My commission expires: May 31, 2025



STACI KAY WOOD
NOTARY PUBLIC - STATE OF MICHIGAN
COUNTY OF MASON
MY COMMISSION EXPIRES MAY 31, 2025
ACTING IN THE COUNTY OF Mason

Exhibit 5

AFFIDAVIT OF DEREK SANDERS

STATE OF MICHIGAN)
) ss
COUNTY OF MASON)

That I, Derek Sanders (“Affiant”), hereby swear and attest to the following:

1. That since January 2008, I have been a shareholder of the Plaintiff, Jos. Sanders, Inc. (“the Company”), which is a corporation duly organized under the laws of Michigan, and pursuant to the Michigan Business Corporations Act. Additionally, I serve as the Treasurer on the Company’s Board of Directors.

2. I am submitting this affidavit in support of Plaintiff’s First Amended Complaint and Plaintiff’s Motion for a Temporary Restraining Order, Show-Cause Order, and Preliminary Injunction.

3. I am personally familiar with the facts and circumstances alleged in Plaintiff’s First Amended Complaint.

4. Alec Sanders became a shareholder of the Company and was put on the Company’s Board of Directors in January 2012. Once Alec became a shareholder and began serving on the Company’s Board, the Board members and their respective roles consisted of: David Sanders (President), me (Treasurer), Carlton Sanders (Secretary and second Vice President); and Alec Sanders (First Vice President), all of whom held and hold certain fiduciary duties to the Company.

5. Corey Sanders became an employee of the Company and commenced his full-time employment on or about January 2, 2014. Corey has never been a shareholder of the Company, nor has he ever served on the Company’s Board of Directors.

6. Alec Sanders' responsibilities at the Company included, among other things, maintaining the Company's financial and tax documents, Company advertising. Throughout his time as an employee and shareholder of the Company, Alec Sanders acquired intimate knowledge concerning the Company's recipes for its various meat products, and other confidential information regarding the Company's operations.

7. Corey Sanders' responsibilities as an employee of the Company included, primarily, procurement and purchasing duties, as well as some degree of sales responsibility. Throughout his employment with the Company, Corey Sanders acquired intimate knowledge concerning the Company's recipes for its various meat products, and other confidential information regarding the Company's operations.

8. The Company has been engaged in the business of meat distribution, butchering, and processing for several decades, and was named after its founder, Joseph Sanders.

9. The Company has used the names "Sanders" and "Sanders Meats" in commerce, for as long as I can remember. The association with the Company and the name "Sanders Meats" is pervasive and well known throughout the community.

10. The Company has continuously used "Sanders" and "Sanders Meats" in connection with the sale and advertising of its products and services.

11. The Company registered its trademark for "Sanders" with the U.S. Patent and Trademark Office (USPTO) on October 10, 2017.

12. In addition to its signs, packaging, and apparel bearing the name, the Company operates its website, as well as its Facebook account, under the name "Sanders Meats."

13. The web address for the Company's website is www.sandersmeats.com, and the domain name has been used since around 2007.

14. The Company's Facebook page, which was created in or around 2012, is managed by Defendant Alec Sanders.

15. Prior to their respective resignations, Alec Sanders and Corey Sanders continuously represented the Company as "Sanders Meats."

16. The Company's revenue is generated through, in addition to its butchering and processing services, sales of its various meat products – both through direct-to-consumer purchases, and wholesale buyers.

17. The recipes for the Company's meat products were developed by its founder, and/or its members or employees on behalf of the Company. Throughout the years, the Company continued to revise and improve upon these signature recipes, and continued to develop additional recipes, allowing it to expand its product line to include many additional meat products and goods to be sold.

18. I have first-hand knowledge and experience with the development of several of the Company's recipes. Development of any given recipe generally would take weeks of trial-and-error testing to develop the right recipe. In addition to the time commitment required for recipe development, the testing phase required a lot of effort and resources spent in continuously preparing test batches.

19. The Company, being a meat processing facility, is subject to regular, continuous inspections by the U.S. Department of Agriculture ("USDA"). The Food Safety and Inspection Service (FSIS) arm of the USDA regularly conducts inspections at the Company's premises.

20. During an inspection, information and documentation, including the formula or recipes for the Company's products, must be provided to USDA inspectors upon request.

21. The Company's products are unique and have advantages over competitor's products and are considered proprietary and confidential. Due to the proprietary nature of the recipes, and the time and effort that went into generating each recipe therein, Company personnel – including Defendants - expressly and/or impliedly understood that such recipes would be kept strictly confidential.

22. For years, the Company has kept its recipes in a secure location, in a file cabinet located in the sales office of the Company building, which has restricted access. After business hours, the Company building where the sales office is located, would be locked. The only individuals that had keys to the building were: me, David Sanders, Carlton Sanders, Alec Sanders, and Corey Sanders.

23. In order to provide USDA inspectors with the recipes upon request, the Company kept the recipes in hardcopy format, in a file cabinet within the sales office.

24. The recipes contained therein included approximately 100 recipes, including the Company's various jerky recipes, as well as recipes for other meat products, such as the Sanders Original Hams that the Company is well and widely known for.

25. Up until Alec and Corey Sanders' respective resignations with the Company, access to the filing cabinet in which recipes were stored, located within the sales office, has been restricted to me, David Sanders, Carlton Sanders, Alec Sanders, and Corey Sanders. No employees other than Corey Sanders were given access to the filing cabinet.

26. In his position on the Board of Directors for the Company, Alec had access to the Company's financial documents and records (such as tax documents), digital data and accounts (such as the Company's Facebook account and LARA information), as well as other

proprietary and confidential documents belonging to the Company – such as Company recipes for its various meat products, which are the integral to the Company’s business.

27. In August 2020, a meeting of Plaintiff’s Board and Directors and Defendant Corey was held, during which the Board discussed, among other things, the need for Board approval on checks or payments made of advanced salary and equipment purchases on behalf of the Company. The Board also notified Corey Sanders that he would not be made a shareholder of the Company.

28. Despite the Board meeting that was held, and the discussions that ensued, on November 4, 2020, both Alec Sanders and Corey Sanders issued checks to each other from the Company’s account, in the amount of \$121,150.00. Neither had the authority to do so.

29. Thereafter, on November 16, 2020, unbeknownst to me and the other shareholders of the Company at the time, Alec Sanders incorporated Sanders Meat Company with the State of Michigan.

30. During this time, in November 2020, I discovered that the entire book of recipes for the Company’s jerky products was missing from the file cabinet in the sales office. Furthermore, will the recipes for the Company’s other products were there, they appeared to have been moved around and shuffled.

31. On November 19, 2020, Defendant Alec Sanders issued written notice to the Company that he was resigning his position with the Company. A few days later, on November 23, 2020, Corey Sanders provided written correspondence of his resignation as well.

32. It was not until November 2020, that it was discovered that Alec Sanders had also filed documents on behalf of the Company with Michigan’s Department of Licensing and Regulatory Affairs (“LARA”) misrepresenting that Carlton Sanders was no longer on the

Company's Board of Directors, and, instead, naming Corey as a Board member although he never was elected or otherwise on the Board.

33. Furthermore, I have been informed by various individuals within the community that Alec Sanders and Corey Sanders are planning to begin operations of their competing enterprise on a property recently sold, located at 3815 US-10, Ludington, MI 49431 (the "Highway 10 Property") – 8 miles down the road from the Company.

34. A deed recorded with Mason County on January 12, 2021, reflects that the Highway 10 Property was conveyed to Highway 10 Investments, LLC, a Michigan limited liability company in which Alec Sanders serves as the resident agent of, according to the records available on LARA.

35. There has already been some confusion in the market regarding the operations of a meat market / facility at the Highway 10 Property, as I have already been approached by several individuals within the community asking if the Company is relocating to the Highway 10 Property. For example, on November 16, 2021, I received a call at the Company from a customer that heard Sanders Meats was coming to the Highway 10 Property (often referred to as the old Staples building, in reference to the prior business at that location).

36. It is believed that Alec Sanders and Corey Sanders, if not already, will soon actively solicit business from Plaintiff's customers and suppliers, particularly in light of the very close proximity of the location to the Company. Further, it is believed that Defendants will use Plaintiff's confidential information, such as its various recipes that have made the Company successful all of these years, for their own benefit and the benefit of their competing enterprise that was created in secret.

37. Furthermore, their operation of a competing business, which they have registered as "Sanders Meat Company" and various similar assumed names according to LARA, is extremely likely to create confusion throughout the marketplace as to the actual producer / seller of the meat products.

38. This activity will cause irreparable damage to the Company because it will likely result in, not only misappropriated business opportunities and sales, but the loss of trade secrets, customer goodwill, and business reputation.

39. I hereby certify under penalty of perjury that the forgoing is true and correct.
FURTHER AFFIANT SAITH NOT.

AFFIANT:

Derek Sanders
Derek Sanders

Subscribed and sworn to before me
this 19 day of January, 2021.

Staci K. Wood
(Signature of Notary Public)

State of Michigan Notary Public
Mason County, Michigan

Acting in the County of Mason

My commission expires: May 31, 2025

STACI KAY WOOD
NOTARY PUBLIC - STATE OF MICHIGAN
COUNTY OF MASON
MY COMMISSION EXPIRES MAY 31, 2025
ACTING IN THE COUNTY OF Mason

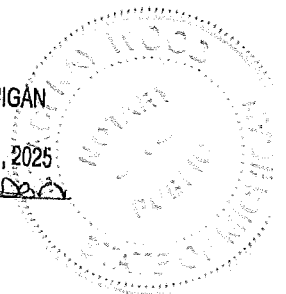


Exhibit 6

United States of America

United States Patent and Trademark Office

SANDERS

Reg. No. 5,305,465

Registered Oct. 10, 2017

Int. Cl.: 29

Trademark

Principal Register

Jos. Sanders, Inc. (MICHIGAN CORPORATION)
237 South Main
Custer, MICHIGAN 49405

CLASS 29: Pork and Beef products namely Cooked Hams, Bacon, Sausage, Deli meat, Snack sticks, Jerky, Brats, Hotdogs, Salami, Bologna

FIRST USE 12-31-1925; IN COMMERCE 12-31-1925

THE MARK CONSISTS OF STANDARD CHARACTERS WITHOUT CLAIM TO ANY PARTICULAR FONT STYLE, SIZE OR COLOR

SEC.2(F)

SER. NO. 87-324,053, FILED 02-03-2017



Joseph Matol

Performing the Functions and Duties of the
Under Secretary of Commerce for
Intellectual Property and Director of the
United States Patent and Trademark Office

Exhibit 7





Exhibit 8





From Our Family Smokehouse

Sanders Meats
Since 1925

Made By Jos. Sanders INC.,
Custer, MI 49405

Sanders White Bratwurst

Fully Cooked - Ready to Eat

INGREDIENTS: PORK, WATER, NONFAT DRY MILK, SALT, CORN SYRUP SOLIDS, DEXTROSE, SPICES, MONOSODIUM GLUTAMATE IN A HOG CASING.

Keep Refrigerated

U.S. INSPECTED AND PASSED BY DEPARTMENT OF AGRICULTURE EST. 12268

Exhibit 9



SANDERS MEATS

English

[Products](#) [Fresh Meat & Bundles](#) [Services](#) [Meat Distribution](#) [Gifts](#) [About](#) [My account](#) [Meat 101](#)

We ship anywhere in the US! | *Founded in 1925, Family Owned & Operated*

FEATURED PRODUCT

Fresh Meat

LEARN MORE



Order Online



Our History



Awards



Processing

Sanders Sizzling Summer Meats Meat Bundles and Fresh Meat

Enjoy all the flavors of summer with Sanders fresh meat! Master the grill this season with our signature Bratwurst, Franks, Hot Dog, and fresh never frozen Steak and Burger.

Website orders are for **UPS SHIPPING ONLY**. Please do not place your order over the website **UNLESS YOU WANT IT SHIPPED UPS**. Please call the office to place your order. [Dismiss](#)

Exhibit 10



Sanders Meats

@sandersmeats1925 · Butcher Shop

Call Now

Home

Reviews

Photos

Videos

More

Like

Message

About

[See All](#)

237 S Main St Custer, MI 49405

Share your experience with us! How did you hear about us? What products are your favorite? Feel free to leave any feedback.

Joseph T. Sanders founded the family Ham business back in 1925, delivering his homemade products in a Model T Ford. Our famous Sanders Original Hams w... [See More](#)

18,094 people like this

18,157 people follow this

938 people checked in here

<http://www.sandersmeats.com/>

(231) 757-4768

[Send Message](#)

Price Range · \$\$



Create Post

Photo/Video

Check in

Tag Friends

PINNED POST



Sanders Meats

October 8, 2020

We have Jerky IN STOCK and more to come soon! Come in to stock up! Open Monday-Saturday 8am-5pm.





Closing Soon

8:00 AM - 5:00 PM



Butcher Shop · Specialty Grocery Store

Suggest Edits

Is this another name for the same Page?

Alternative Name: Sanders Meat Packing

Yes

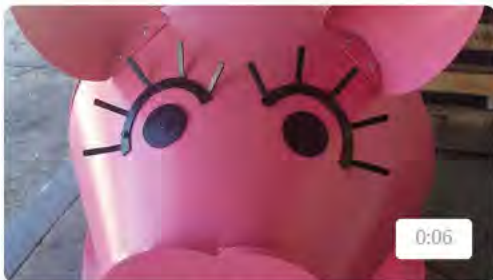
Unsure

No

Photos

[See All](#)


Videos

[See All](#)


We have a new smoker!!! Now we need ...

203

11.5K Views · a year ago



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Page created - February 11, 2012



Page manager location: United States



Sanders Meats

Butcher Shop

[Send Message](#)

247

38 Comments · 45 Shares

Like

Comment

Share

Most Relevant



Write a comment...



Debbie Little

what ever they make or handle is the worlds best

Like Reply 3w

[View 14 more comments](#)

OTHER POSTS



Sanders Meats

October 2, 2020

SALES starting Saturday 10/3 through Wednesday 10/7!
 IN STORE ONLY AND WHILE SUPPLIES LAST!
 Now accepting deer for processing starting at \$95.
 Smoked Canadian Bacon (Chunks only) - \$2.99/lb.
 Choice New York Strips (6-8 steaks, precut packages only) - \$8.99/lb....
[See More](#)



709

28 Comments · 94 Shares

Like

Comment

Share

Most Relevant



Dublin Jerky Company
Specialty Grocery Store

Like



Ludington State Park
State Park

Like



Mason County Press
Media/News Company

Like

Add Your Business to Facebook

Showcase your work, create ads and connect with customers or supporters.

Create Page

Privacy Terms Advertising Ad Choices Cookies More
Facebook © 2021



Kay Glover

For many many years we bought 2-3 loins of rib-eye steaks for our 4th of July parties, everyone loved them, WE STILL DO! Have to get back there soon! Best meats you can ever get! DELICIOUS! (and years ago I was a cook in a great steak house and I swea... [See More](#)

Like Reply 14w

[View 17 more comments](#)



Sanders Meats

July 23, 2020

NEW BRATWURST FLAVORS (27 VARIETIES)

Buy 5 packages, get 1 FREE!

Flavors: Fresh, white, cooked italian, fresh italian, kielbasa, swedish, potato, cheddar, jalapeno & cheddar, bacon & cheddar, asparagus & cheddar, ham & cheddar, fiesta & cheddar, pepper-jack, habanero, mushroom swiss, ham & swiss, hawaiian, cranberry, blueberry, beer, bacon & blue cheese, philly cheese steak, sweet onion, meat lovers, smoked and polish.

Open 8am-5pm Monday-Saturday. Walk-ins are welcome!

237 S... [See More](#)



535

22 Comments 77 Shares

Like

Comment

Share

Most Relevant



Write a comment...



Mary Ann Grasha Barsic
Looks yummy. !!

Like Reply 24w

2 Replies

[View 13 more comments](#)



Sanders Meats

July 21, 2020

NEW Meat Bundle Pricing! Check it out online www.sandersmeats.com

Exhibit 11

LARA Corporations Online Filing System

Department of Licensing and Regulatory Affairs

ID Number: 800146401

[Request certificate](#)[Return to Results](#)[New search](#)

Summary for: JOS. SANDERS, INC.

The name of the DOMESTIC PROFIT CORPORATION: JOS. SANDERS, INC.

Entity type: DOMESTIC PROFIT CORPORATION

Identification Number: 800146401 Old ID Number: 140437

Date of Incorporation in Michigan: 06/27/1960

Purpose:

Term: Perpetual

Most Recent Annual Report: 2020

Most Recent Annual Report with Officers & Directors: 2020

The name and address of the Resident Agent:

Resident Agent Name: CARLTON SANDERS

Street Address: 237 S MAIN

Apt/Suite/Other:

City: CUSTER

State: MI

Zip Code: 49405

Registered Office Mailing address:

P.O. Box or Street Address: 237 S MAIN

Apt/Suite/Other:

City: CUSTER

State: MI

Zip Code: 49405

The Officers and Directors of the Corporation:

Title	Name	Address
PRESIDENT	DAVID SANDERS	2717 E US 10 CUSTER, MI 49405 USA
TREASURER	ALEC SANDERS	5244 W DECKER RD LUDINGTON, MI 49431 USA
SECRETARY	DEREK SANDERS	3909 E HANSEN RD CUSTER, MI 49405 USA
DIRECTOR	COREY SANDERS	5727 W JAGGER RD LUDINGTON, MI 49431 USA

Act Formed Under: 327-1931 Michigan General Corporation Act

Total Authorized Shares: 75,000

☐ Written Consent[View Assumed Names for this Business Entity](#)

View filings for this business entity:

Exhibit 12

Front Image

JOS SANDERS, INC. 07-76
237 S. MAIN ST.
CUSTER, MI 49405-9704

14182

DATE 6-24-2020 74-829/724

PAY TO THE ORDER OF Corey Sanders \$ 20,000
Twenty Thousand ^{00/100} DOLLARS

WEST SHORE BANK
LUDINGTON MICHIGAN

FOR _____

Michael

DATA ON L.A. Security Features

Back Image

ENDORSE HERE

Corey Sanders

☐ CHECK HERE AFTER DEPOSIT ON NEW 013 DEPOSIT

DATE _____

OR SIGN BELOW THIS LINE

Front Image

JOS SANDERS, INC. 07-76 237 S. MAIN ST. CUSTER, MI 49405-9704		14189
DATE <u>7-21-20</u>		74-829/724
PAY TO THE ORDER OF <u>Alec Sanders</u>	\$ <u>40,000</u>	
<u>Forty-thousand 00/100</u>	DOLLARS	
FOR <u>WEST SHORE BANK</u> LUDINGTON MICHIGAN	<u>Corey Sanders</u>	

Back Image

WEST SHORE BANK

CREDITED TO THE ACCOUNT OF
THE WITHIN NAMED PAYEE
Missing Endorsements Guaranteed
WEST SHORE BANK

Back Image

Page 1

Front Image

JOS SANDERS, INC. 07-76 237 S. MAIN ST. CUSTER, MI 49405-9704		14202	
DATE <u>8-17-20</u>		74-829/724	
PAY TO THE ORDER OF <u>Alec Sanders</u>		\$ <u>50,000</u>	
<u>Fifty thousand 00/100</u>		DOLLARS	
FOR <u>WEST SHORE BANK</u> LUBINGTON MICHIGAN		<u>Cory Sanders</u>	
[REDACTED]		[REDACTED]	

Back Image

[REDACTED]		CREDITED TO THE ACCOUNT OF THE WITHIN NAMED PAYEE Missing Endorsements Guaranteed WEST SHORE BANK DEPOSIT	
[REDACTED]		[REDACTED]	

Front Image

JOS SANDERS, INC. 07-76 237 S. MAIN ST. CUSTER, MI 49405-9704		14168	
DATE <u>5-4-2020</u>		74-829/724	
PAY TO THE ORDER OF <u>Corey Sanders</u>		\$ <u>48,000.00</u>	
<u>Forty thousand dollars $\frac{00}{100}$</u>		DOLLARS	
FOR _____		<u>Corey Sanders</u>	
WEST SHORE BANK LUDINGTON MICHIGAN			

Back Image

<u>Corey Sanders</u>	
----------------------	--

Exhibit 13



LARA Corporations Online Filing System

Department of Licensing and Regulatory Affairs

ID Number: 802468573

[Request certificate](#)[Return to Results](#)[New search](#)

Summary for: HIGHWAY 10 INVESTMENTS LLC

The name of the DOMESTIC LIMITED LIABILITY COMPANY: HIGHWAY 10 INVESTMENTS LLC

Entity type: DOMESTIC LIMITED LIABILITY COMPANY

Identification Number: 802468573

Date of Organization in Michigan: 08/21/2020

Purpose: All Purpose Clause

Term: Perpetual

The name and address of the Resident Agent:

Resident Agent Name: ALEC SANDERS

Street Address: 5244 W. DECKER RD

Apt/Suite/Other:

City: LUDINGTON

State: MI

Zip Code: 49431

Registered Office Mailing address:

P.O. Box or Street Address: 5244 W. DECKER RD

Apt/Suite/Other:

City: LUDINGTON

State: MI

Zip Code: 49431

Act Formed Under: 023-1993 Michigan Limited Liability Company Act

Acts Subject To: 023-1993 Michigan Limited Liability Company Act

Managed By:

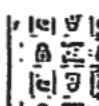


Members

Exhibit 14

WEST SHORE BANK

Account: BUS ANZ

Date: 11/20/2020

JOS SANDERS, INC. 07-76 237 S. MAIN ST. CLUSTER, MI 49405-9704		14226
DATE <u>11-4-2020</u>		74-829/724
PAY TO THE ORDER OF <u>Corey Sanders</u>	\$ <u>121,150</u>	
<u>One hundred and Twenty-one thousand one hundred and fifty 00/100</u> DOLLARS		
FOR <u>WEST SHORE BANK</u> BANK OF MICHIGAN		<u>Mr. Sanders</u>
		
		<u>Corey Sanders</u>



Account BUS ANZ
Date: 11/20/2020

14225

JOS SANDERS, INC. 07-78
237 S. MAIN ST.
CUSTER, MI 48405-0704

DATE 11-4-2020

74-829/724

PAY TO THE ORDER OF

Alec Sanders

\$ 121,150

One hundred and Twenty-one thousand one hundred fifty ^{00/100} DOLLARS



FOR

Cory Sanders



Security Features

11/04/2020 - 15:28:11

PREFERRED
NOV 04 2020
Teller #C0

IF DEPOSITED

M. Sanders

Exhibit 15

LARA Corporations Online Filing System

Department of Licensing and Regulatory Affairs

ID Number: 802555298

[Request certificate](#)[Return to Results](#)[New search](#)

Summary for: SANDERS MEAT COMPANY

The name of the DOMESTIC PROFIT CORPORATION: SANDERS MEAT COMPANY

Entity type: DOMESTIC PROFIT CORPORATION

Identification Number: 802555298

Date of Incorporation in Michigan: 11/16/2020

Purpose: All Purpose Clause

Term: Perpetual

Most Recent Annual Report:

Most Recent Annual Report with Officers & Directors:

The name and address of the Resident Agent:

Resident Agent Name: ALEC J SANDERS

Street Address: 5244 W. DECKER RD

Apt/Suite/Other:

City: LUDINGTON

State: MI

Zip Code: 49431

Registered Office Mailing address:

P.O. Box or Street Address: 5244 W. DECKER RD

Apt/Suite/Other:

City: LUDINGTON

State: MI

Zip Code: 49431

Act Formed Under: 284-1972 Business Corporation Act

Acts Subject To: 284-1972 Business Corporation Act

Total Authorized Shares: 1,200

☐ Written Consent[View Assumed Names for this Business Entity](#)**View filings for this business entity:**

ALL FILINGS

ANNUAL REPORT/ANNUAL STATEMENTS

ARTICLES OF INCORPORATION

RESTATED ARTICLES OF INCORPORATION

RESTATED ARTICLES OF INCORPORATION

RESTATED ARTICLES OF INCORPORATION

[View filings](#)

Comments or notes associated with this business entity:

LARA Corporations

Online Filing System

Department of Licensing and Regulatory Affairs

[Print](#)[New Search](#)

The name of the DOMESTIC PROFIT CORPORATION: SANDERS MEAT COMPANY

Identification Number: 802555298

Old ID Number:

Assumed Name	Creation Date	Renewal Date	Expiration Date	Two or more entities assuming the same name
GREAT LAKES MEAT COMPANY	12/23/2020		12/31/2025	
GREAT LAKES MEAT MARKET	1/5/2021		12/31/2026	
GREAT LAKES SAUSAGE COMPANY	12/23/2020		12/31/2025	
LUDINGTON MEAT COMPANY	12/11/2020		12/31/2025	
SANDERS DEER PROCESSING	11/20/2020		12/31/2025	
SANDERS HAM COMPANY	11/20/2020		12/31/2025	
SANDERS JERKY COMPANY	11/20/2020		12/31/2025	
SANDERS MEAT MARKET	11/20/2020		12/31/2025	
SANDERS MEATS COMPANY	11/20/2020		12/31/2025	
SANDERS MEATS MARKET	11/20/2020		12/31/2025	
SANDERS SAUSAGE COMPANY	11/20/2020		12/31/2025	

[Back to Business Entity Summary](#)[LARA FOIA Process](#) [Transparency](#) [Office of Regulatory Reinvention](#) [State Web Sites](#)[Michigan.gov Home](#) [ADA](#) [Michigan News](#) [Policies](#)

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Exhibit 16

Alec Joseph Sanders

Attention: Carlton Sanders, David Sanders, Derek Sanders, Corey Sanders

Date: 11/19/2020

Jos. Sanders Inc.

I never dreamed that I will be writing this letter. However, the current circumstances left me no choice. There was never a question for me, ever since when I was a young kid (12-14 years old), that my job and career would be at Jos. Sanders Inc., joining the family and helping to continue the tradition I have heard of since I was born.

This dream has been shattered by the people I trusted the most: my grandfather, grandmother, dad, and oldest brother. It seems that greed and utterly bitterness has taken over the family and cannot continue being part of it. The current environment at the plant is hostile and I refuse to be a part of it by becoming what you all have become.

My life until now has always centered around the family business. Pride and joy for all what Jos. Sanders Inc represents in the community has always helped me while growing up. I let go of many summer fun activities to pour myself in the job at the plant. I wanted to be a part of the success associated with Jos. Sanders business.

After many doubts of what to do with my life, I chose to go to college and study business, so I could contribute to the organization not only with my physical work, but also with my brain and fresh ideas. Corey followed a similar path. We were completely wrong!

It has taken us a few years to realize that the Sanders family does not really appreciate the thought of having two young members with business education. Instead of pride you have shown fear, selfishness, and rudeness, so as to prove that a business education is not worth much when it comes to managing Jos Sanders, Inc.

I remember from the first day when I started full time, Derek could not hide his envy, bitterness, and vileness towards me. Now, looking in retrospect, Derek did not want me to get in his way at work and was upset a new Sanders was there. Soon, I realize this was not a Derek thing. It was David, and most disappointing, Carlton and Margaret. You are all a very unhappy bunch.

While it may be easy to understand Derek's jealousy, due to his lack of education, work ethic and all around lack of values, which makes him a very miserable person; it has been hard to deal with David, Carlton and Margaret's lack of support and vision to the future.

This lack of vision for the future is the driving force of our decision to leave. Carlton, Margaret, have you ever sat down and objectively thought, what is going to happen with Jos Sanders Inc, after you are gone? Do you really think that David and Derek, who hardly show up to work, are going to stay in business for more than 1 year? Do you really expect for Corey and me to wait and see what is going to happen with us when you are gone, and the violent temperament of Derek is unleashed without any restraint against us? (not that

you have done much to stop him, thus far). Do you really think that David is going to stick around to work and keep the company functioning?

Actually, you (Carlton and Margaret) have made this very easy for us. Corey and I, love the family tradition, respect the hard work of Dale, Joe, David and Carlton put on to manage the family business for this long. It is clear to us that you (Carlton and Margaret) already picked your heir, and that is Derek. We will not continue getting in the way. Certainly, we will not be around any more to be harassed, exploited, and threatened with violence by a business illiterate who barely show up to work.

I am going to spare you the pleasure of having to terminate me. Instead, I am retiring from the company expecting that you would do the right thing and provide me with the retirement compensation that has been granted to all Sanders who had retired before me.

A similar treatment should be given to Corey. You have jerked him around, blackmailed him for many years with the promise to become a partner, just like any other male Sanders. However, for the last two years, while not officially giving him the title, you treated him as a partner. All his income statements, as well as his distribution at the end of the year was exactly the same as any of us. For once, do the right thing.

I could continue writing many other things, in fact I have done it, but I decided to save it and not include it here. However, I think you get the point. Corey and I are legitimately afraid to go to work (that is why we did not show up to work this week). We fear for our physical well-being. Derek is a bully and Carlton and David condone his violent behavior. Our safety is first. The threats of our future security is always in question by comments made from Carlton and Derek the most.

While we have kept many of these violent incidents under our wrap, make no mistake that your threats to call the Sheriff are not going to intimidate us. On the contrary, we will defend ourselves with all our energy, and there would be no mercy as to the consequences you may experience should either Corey or I are bothered with these threats.

Corey and I maintain in a safe location, with instructions to our spouses, and fiduciaries, that in the event that something happens to us, the information currently kept sealed, be unsealed and sent to the IRS, the Mason County Prosecuting Attorney Office, and distributed through social media. I honestly hope you can all be smart and not choose this path.

You know our addresses. Please make sure to send us our end of the year distribution, minus the distributions already made, plus the retirement check based on the same formula used when uncle Joe and uncle Dale retired.

As requested, I will return the tax records and any other documents belonging to the company that is legitimately under my control, as partner, as soon as you provide me a clear response regarding my retirement distribution.

Alec Joseph Sanders

Exhibit 17

Corey David Sanders

Attention: Carlton Sanders, David Sanders, Derek Sanders, Alec Sanders

Date: 11/23/2020

Jos. Sanders Inc.

You are already aware that Alec and I are retiring from Jos. Sanders, Inc. This letter, just as the one you received from Alec is intending to set the record straight and make sure my voice is heard.

The Jos. Sanders Inc. family business was always number one in my life. It was the career that I wanted ever since my Custer kindergarten graduation when I told the audience on the microphone that I wanted to work in the slaughterhouse with my father. I always dreamed about some day taking over the family business with pride and ambition.

After a few years of experiencing the family business, the truth and reality of what goes on within the plant are two different things. While this may hurt the feelings of Carlton, David, and Derek, the truth is that you are burned out, have no drive, and your only allegiance is to the money you take from the business. You have no respect for the workers, customers, family members or yourselves. You have lost all entrepreneurial ambition and just go through the daily motions, because that is how things have been done over and over.

That is why Alec and I are a threat. We represent everything you are not. Over the last decade, Alec and I have been able to grow and bring more business than the three of you together. It is black and white and clear as day that Alec and I are running the business and after Dale and Joe retired, we have carried the success of the business. What have we got in return?

I started working at Jos. Sanders Inc. every summer starting in 2003. After I graduated from college in 2013, I became a full-time partner and employee. In fact, during the 2014-2020 time period, no other Sanders even came close to the amount of time and hours that I spent working at the plant or on the road selling and delivering meat. Check the logs. What a contrast with Derek's record. In 2019, Derek missed 115 days of work. This should not be a surprise. Derek's work ethic has always been deplorable. I remember Alec and I working at the plant when I was a young 12-year-old boy and seeing Derek skipping work, running around the county with a toxic friend group, doing drugs, getting into numerous fights, failing out of high school and creating a bad name for our family, business, and reputation.

The family name and maintaining an excellent reputation in our community has always been first for me. I have always strived to make Grandpa Carlton happy, even though Carlton was not always right, and his ways were not always the best ways, for many reasons. My efforts to please Carlton always backfired on me. I realize now that I will never make Carlton happy because he is a grumpy, frustrated, old man who does not see beyond what he wants to see.

My love for the family business, coupled to my college education in business helped me to understand the need for changes and improvements. Little by little, sometimes even in disguise, I started introducing changes in the product line up, recipes, marketing research and simple observations of trends in the industry that nobody else was paying attention to. Those efforts resulted in a total turnaround of the company. Over the past 18 years, I am 100% responsible for 95% of the best improvements and changes to the business. I always was there

to implement the next new big thing or idea. I maintained the current wholesale customers and spoon fed you the new ones on a silver platter. Jos Sanders Inc. is today posed in a much better direction, and far more profitable than ever before. The numbers do not lie. Just take a look at your checking account balances for the last five years. I can go on forever on the amount of new ideas, improvements, and changes that I made in the business over my tenure at Jos. Sanders, Inc., one product at a time and one truck route at a time, I completely changed the business for the better, transforming the focus of the business to revolve around my new lines of products and a whole new generation of mostly my customers. I invented, created, and improved products, which are bringing money to the business. This is money you would have never seen if I would not have persisted on doing the changes I did. The top ten worst ideas or business decisions have all been made by either Carlton, David, or Derek.

I do not need to remind you (Carlton, David, and Derek) that you fought me tooth and nail over these implementations. For example, Carlton, David, and Derek never believed in vacuum sealing hot dogs. Carlton's way was un-vacuum sealed hot dogs resulting in moldy hotdogs within weeks. He would even wash mold off customer's returned hot dogs and resell them. I changed the entire hot dog operation around when I started vacuum sealing the hot dogs in multiple size packages and sold them for a larger profit margin. That big change and improvement was a struggle and fight. Carlton, David, and Derek did not share the same vision that I had with hot dogs. Carlton did not want me to make a Pepper Jack Cheese Summer Sausage, David did not even want to make a Cheese Bratwurst or Cheese Snack Sticks. You argued it could not be done in the smokehouses. I proved you wrong by successfully making Cheese Snack Sticks and mastering the art of smokehouses. Derek opposed making Beef Jerky. I did it anyway (not that he was there often to realize what was going on). Today the Beef Jerky line is one of our best selling products. Derek even sent back many new spices that I ordered. Eventually, I reordered the spices and started making many new products that were all a big hit.

Yet, happily for the last few years Carlton, David and Derek have extended their greedy hands to receive a much larger check than ever before. This attitude summarizes your commitment to the business. Alec and I have never been mentored or supported to grow and develop. Our own father has been MIA since I was ten years old. David encourages the unprofessional behavior by Derek and Carlton in the workplace. David and I attended counseling together in 2018, only to learn that the counselor agreed that David needed to step up as a father to all four of his children. The counselor was sickened by the truth and facts of how David treated Alec and Corey.

Your approach to us has always been we do it your way or "else". That "else" varies on your mood: a rude gesture, insulting words, physical threats, or actual physical attacks. It is absurd to think of the many times you have threatened both Alec and I with "locking up the plant", while at the same time threatening our livelihood. Jos. Sanders, Inc. is a terrible, hostile unprofessional work environment.

Indeed, over the years, there have been countless times that Carlton, David, and Derek have harassed, threatened, assaulted, and abused me physically and mentally. In 2009, I had to be treated at the hospital for stomach ulcers from all the stress and abuse Carlton, David, and Derek put me through. Carlton, David, and Derek forced me against my will to illegally take 16-18-hour truck routes in the International truck, without the proper CDL license, under the

threat to be fired if I refused. I am sure the proper employment and law enforcement authorities would be very interested in hearing these stories and saved voicemail recordings of these threats.

Carlton has physically put his hands on me and tried to push me away from numerous operations throughout the years. Carlton has threatened to harm me while flashing and pointing his sharp knives directly in front of my face. This behavior is not acceptable under any circumstance or situation. I am sure a recount of these stories would not earn you the "Grandpa of the Year Award."

Last year, I called Derek out for messing up over six wholesale customer's orders on three trucks in one week. What was his reaction? He punched me in the face and swung at me multiple times. The funny thing is that Derek called the police. Instead of supporting me and not allowing this toxic behavior to happen, Grandpa Carlton told me that if I pressed charges, I would not have a job. Not that it makes any difference to me not reporting it. Shortly after, Carlton, David and Derek fired me without one single reason why. However, erratically, a month later begged me to come back. Derek's violent behavior has only escalated throughout the years. He has threatened me over one hundred times to "knock my teeth out" and "beat me up", continually uses every swear word in the book, along with disgusting hurtful sayings over and over, which, I have no doubt, would support a very strong workplace harassment and hostile working environment claim.

Oh, good old dad! David, do you remember a few years ago, when I asked you to wash your hands after using the bathroom, just as you demand from every employee in the plant, and your kids at home? What was your reaction? You got so angry and told me to "go to hell".

The truth Carlton, David, and Derek is that you are disgusting people. You have no business being involved in a USDA inspected plant. Do you think the meat inspector would be interested in these countless stories and hidden truths about the aging plant? Or perhaps a couple of postings on social media? What would that do to Jos. Sanders, Inc. family business reputation? I would never eat one product that touched any of your nasty hands.

This toxic work environment created by Carlton, David, and Derek is a place that I no longer feel safe working in. I cannot go to work where I fear physical harm for simply doing my job better than Carlton, David, or Derek. The saddest thing of all is that you are my Grandpa, Dad, and oldest brother. Shame on you.

Just as Alec told you, I am going to spare you the pleasure of having to terminate me/lock me out/ban me from the plant/fire me. Instead, I am retiring from the family business expecting that you would do the right thing and provide me with the retirement compensation that has been granted to all Sanders who have retired before me. While you may argue I am not a partner, think twice before giving that argument. I have witnesses, emails, and many other records where I have been treated as a partner. Carlton left the company for a year with the understanding that I will be taking his place on the board and the company. In 2019, I received the same compensation as every partner. Perhaps you would want to explain that to the IRS while claiming I am just an employee? Enough of this nonsense. You will give me a similar financial treatment as any other partner, currently working, already retired or in the process of retiring.

I fully endorse and support the warnings about retaliation threats and our ability to defend ourselves as Alec wrote to you. I am asking to be left alone, for you to send me the end

of the year distribution, minus the distributions already made, plus a retirement check based on the same formula used when Joe and Dale retired. All Alec and I want to do is move forward with our lives and go our separate ways.

Corey David Sanders

Exhibit 18

AGENDA
MASON COUNTY PLANNING COMMISSION
TUESDAY, December 15, 2020 7:00 PM

**Location: Online via Zoom due to ongoing Covid-19 pandemic state
of emergency declared by Michigan DHHS**

- 1) WELCOME
- 2) PLEDGE OF ALLEGIANCE
- 3) ROLL CALL (Please state your name, city or township, and state)
- 4) APPROVAL OR MODIFICATION OF THE **October 20, 2020 and November 17, 2020** MEETING MINUTES.
- 5) ADDITION, DELETIONS OR MODIFICATION TO THE AGENDA
- 6) CONFLICT OF INTEREST
- 7) PUBLIC COMMENT
- 8) CORRESPONDENCE
- 9) APPLICATIONS 0 (PUBLIC HEARING).
 - A. PRESENTATION OF OFFICIAL RECORDS OF THE CASE BY STAFF.
 - B. APPLICANT'S PRESENTATION OF CASE, (IF PRESENT).
 - C. INTERESTED PROPERTY OWNER'S PRESENTATION.
 - D. EXPERT PRESENTATION
 - E. REBUTTALS IN SIMILAR ORDER.
 - F. CLOSE PUBLIC HEARING
 - G. DECISION & REFERENCE.
- 10) NEW BUSINESS
 - a) Use Classification – Staples Building
- 11) UNFINISHED BUSINESS
 - a) Three Year Review of Lake Winds Energy Park performance
- 12) ZONING DIRECTOR'S REPORT
- 13) ZONING BOARD OF APPEALS
- 14) PUBLIC COMMENT

ADJOURN



CARLOS ALVARADO LAW PC

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Ludington MI 49431
Tel 231 425 4444 Fax 231 843 1395
carlos@carlosalvaradolaw.com
www.carlosalvaradolaw.com

December 7, 2020

Mr. Fabian Knizacky
Mason County Administrator
304 E. Ludington Avenue
Ludington, MI 49431

RE: Zoning Issue - Unclassified Uses

Dear Fabian,

I appreciate your responsiveness in addressing my Clients' request to clarify any possible zoning issues and the best manner in which to approach the same, should they exist. I represent _____ that has entered into a Purchase Agreement to purchase the former Staples building located at 3815 W U.S. 10 in Amber Township.

Through an affiliated company _____ is intending to operate their retail meat market and also some meat processing business at the site. Please be advised that "meat processing" as intended by my Clients would entail packaging meat, processing meat into other products such as sausage, lunch meats, and jerky for retail at the site or through wholesale distribution. The main activities of that process at the site would involve the cutting, grinding, seasoning, smoking, encasing, and packaging of meat for retail. The meat grinding and packaging would be equivalent to what Meijer's across the street currently does. My Clients would not conduct any slaughtering of animals at the site.

The processing activities above may produce minimal noise and smoked meat aroma. Currently available technology along with a building structure, such as the one selected for the site, would mitigate noise and filter odors to the extent that they would be undistinguishable from the odors emitted from the nearby Applebee's Neighborhood Grill and Bar (See attached letter from Smokehouse manufacturer *ScottPec*. The Installation, Operation and Maintenance Manual is available upon request). Furthermore, the smokehouse uses the latest state of the art smoke technology to minimize the amount of actual smoke used for each smoke cycles. For example, the Q-Smokehouse, Northside Market, and Blu Moon all have smoking operations inside and outside of their establishments. Our Clients' smokehouse would only be inside the building.

Any discarded bones or meat scraps would be kept on site in a cooler awaiting pickup from _____. This is the same company that picks up the same type of discarded bones and meat scraps from Wal-Mart or Meijer located within the same zoning district.

The property is located in a C-1 Highway Commercial District, which "...is designed to provide for the establishment of commercial and service activities which draw from and serve customers from the entire community or region and are located in areas which are well served by collector or arterial street facilities. These areas are meant to accommodate large-scale commercial operations..." *Mason County Zoning Ordinance Article X, Section 10.01.*

Among the Principal Permitted Uses in this District, as per *Article X, Section 10.02*, **Retail Sales** is the only one listed that aligns with the stated purposes of my Clients' enterprise. *Article X, Section 10.03* listing Special Land Uses that shall be permitted subject to review by the Planning Commission, does not specifically list any other use that matches the purposes of my Clients' enterprise as defined above.

Since this is a building that has already housed a large-scale business, it is assumed that it meets all the area and size requirements. An architectural drawing depicting the building and proposed interior layout is attached. The total square footage of the building is 14,600 square feet. My Clients intend to dedicate 5,400 square feet for the retail market showroom; approximately 2,500 square feet to the processing room; 2,000 square feet for offices, break rooms, bathrooms, and dry storage; 1,560 square feet for coolers and freezers; and the balance space will be used for a smokehouse.

Pursuant to Article III, Section 3.39, "The Planning Commission may find that a land use, while not specifically classified in this ordinance as a permitted or special land use, may be sufficiently similar to uses listed as permitted by right or as special uses. In that event, such unclassified uses may be reviewed and treated as similar classified uses within the district."

The Zoning Ordinance charges the Zoning Administrator with the responsibility to evaluate the proposed use in terms of the potential generation of traffic, congestion, noise, odors, dust, litter, and similar impacts, as well as to determine whether the proposed use conflicts with the intent of the District and any other permitted and special land uses.

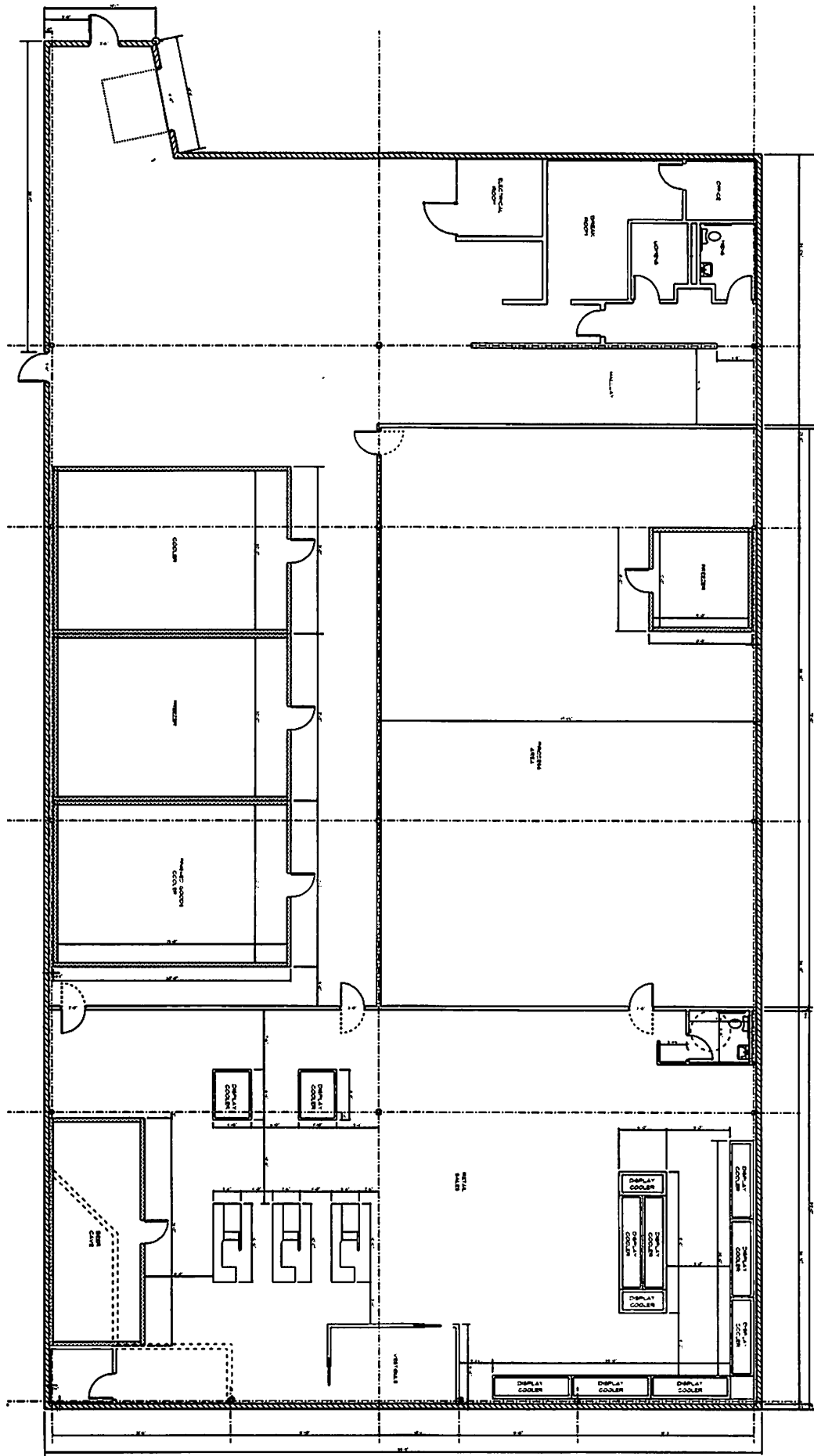
I understand that the Zoning Administrator position is currently vacant and that those functions are being performed by you with staff assistance. Through this letter I would like to request that the above evaluation be made, with a recommendation to the Planning Commission to consider the proposed use sufficiently similar to permitted or land uses within the District. Please bear in mind that the Due Diligence period granted in the Purchase Agreement to my Clients expires on January 10, 2021. Thus, any resolution regarding the ability to operate the business within the building must be made before that deadline.

Please let me know if any additional information may be required from my Clients, or if a personal meeting is necessary to conduct the evaluation herein. Thank you.

CARLOS ALVARADO LAW, PC

Carlos Alvarado J

Carlos Alvarado-Jorquera (P68004)



DATE: December 15, 2020

ISSUE: Unclassified Use: Meat Processing and Wholesale / Retail Meat Sales

Applicant: Confidential; Represented my Attorney Carlos Alvarado

LOCATION: The applicant is seeking to purchase the former Staples building located at 3815 W U.S. 10 in Amber Township. This location is in the C-1 Zoning District.

FINDINGS OF FACT: The Applicant is intending to operate a retail meat market and also some meat processing business at the site. "Meat processing" as intended by the Applicant would entail packaging meat, processing meat into other products such as sausage, lunch meats, and jerky for retail at the site or through wholesale distribution. The main activities of that process at the site would involve the cutting, grinding, seasoning, smoking, encasing, and packaging of meat for retail. The meat grinding and packaging would be equivalent to what Meijer's across the street currently does. The Applicant would not conduct any slaughtering of animals at the site. SEE ATTACHED LETTER FROM ATTORNEY ALVARADO DATED DECEMBER 7, 2020. FLOOR PLAN DRAWING ALSO ATTACHED.

Relevant Sections of the Ordinance:

Section 3.39 Unclassified Uses

1. The Planning Commission may find that a land use, while not specifically classified in this ordinance as a permitted or special land use, may be sufficiently similar to uses listed as permitted by right or as special uses. In that event, such unclassified uses may be reviewed and treated as similar classified uses within the district. In reaching such a finding, the Zoning Administrator shall first evaluate the proposed use in terms of the potential generation of traffic, congestion, noise, odors, dust, litter and similar impacts. In addition, the proposed use shall be evaluated to determine the degree to which it may support or conflict with the intent of the district and other permitted and special land uses. If the Zoning Administrator determines that such use is similar to the uses permitted by right or by special use permit, a report outlining the determination shall be provided to the Planning Commission with a recommendation to consider such use as sufficiently similar to permitted or special land uses within the district and the approval standards that should be used to evaluate the proposed use. **Where a proposed use of land or use of building is not contemplated or specified by this Ordinance** or where the Zoning Administrator has a question as to the appropriateness of a use, which, although permitted, involves other features, which were not contemplated or specified by this Ordinance, **the Zoning Administrator shall request a determination by the Planning Commission.** If the Planning Commission determines that such use is not contemplated or specified by this Ordinance, or that it involves features, which were not contemplated or specified herein, such use shall be prohibited. Nothing in this Section shall be construed to prohibit a future amendment of this ordinance pursuant to Section 25.04 to provide standards to regulate a land use that may be currently excluded.

POSSIBLE CONSIDERATIONS

RETAIL SALES: Any establishment engaged in the selling of goods or merchandise to the general public residing in the immediate neighborhoods for personal or household consumption and rendering services incidental to the sale of such goods. Uses included within this definition are grocery stores, pharmacies, florists, and restaurants.

Retail Sales is a Permitted Use in C-1 Zoning District

There are no Special Land Uses listed in the C-1 Zoning Districts that resemble a "meat cutting, processing and packaging" operation.

There are no Permitted Uses or Special Land Uses listed in either the C-2 or C-3 Zoning Districts that resemble a "meat cutting, processing and packaging" operation.

Tanneries and Slaughterhouses are Special Land Uses listed in the I Zoning District.

Exhibit 19



2021R00242
 STATE OF MICHIGAN COUNTY OF MASON
 RECORDED ON
 01/12/2021 09:57 AM
 DIANE L. ENGLEBRECHT
 REGISTER OF DEEDS
 PAGES: 3

WARRANTY DEED

Corporate
 (Unplatted Land)

Drafted By:
 Robert L. Diamond,
 Ludington Retail Partners, LLC
 1600 South Beacon Boulevard Suite
 260
 Grand Haven, MI 49417

Return To:
 Highway 10 Investments LLC
 3736 US-10
 Ludington, MI 49431

Send Tax Bills To:
 Highway 10 Investments LLC
 3736 US-10
 Ludington, MI 49431

Recording Fee: \$30.00
 File Number: 910741

State Transfer Tax:
 County Transfer Tax:

Tax Parcel No.: 53-001-017-040-31

Copy Filed
Know All Persons by These Presents: That **Ludington Retail Partners, LLC**, a Michigan limited liability company whose address is 1600 South Beacon Boulevard Suite 260, Grand Haven, MI 49417

Convey(s) and Warrant(s) to **Highway 10 Investments LLC**, a Michigan limited liability company whose address is 3736 US-10, Ludington, MI 49431

the following described premises situated in the Township of **Amber**, County of **Mason**, State of Michigan, to wit:

(SEE ATTACHED EXHIBIT A)

More commonly known as: **3815 US-10, Ludington, MI 49431**

For the full consideration of: **Real Estate Transfer Tax Valuation Affidavit Filed Herewith**

Subject To:

Existing building and use restrictions, easements of record, and zoning ordinances, if any.



First American Title Insurance Company

First American Title

RETURN TO:
 First American Title
 10291 E. Grand River, Ste 8
 Brighton, MI 48116