

Local solar-panel firm awash in debts

State of Ohio may never recoup millions owed

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Willard & Kelsey, a company that owes the state \$10.3 million and has failed to pay its vendors thousands of dollars.

The state of Ohio might not be able to recoup the full \$10.3 million it is owed by Willard & Kelsey Solar Group.

In addition to owing millions to the state, the Perrysburg solar-panel manufacturer is on the hook to pay thousands to vendors that provided it with goods or services. Bills, legal challenges, and financial troubles are mounting for Willard & Kelsey, which was once touted by high-profile Democrats like Vice President Joe Biden, Labor Secretary Hilda Solis, and former Gov. Ted Strickland.

This fall, the Ohio Attorney General's Office was appointed to collect taxpayer-funded loans that were granted to the company from the Ohio Development Services Agency (formerly the Department of Development) and the Ohio Air Quality

Development Authority. Willard & Kelsey failed to make timely loan payments to both agencies and was unable to pay the loans in full when they were called due.

The attorney general's office, which collects debts owed to state agencies, has made contact with the company and is scheduling a meeting to discuss the loans, said Dan Tierney, a spokesman for the office.

Willard & Kelsey owes \$5,684,365 to the air authority and \$4,615,843 to the development services agency.

Michael Cicak, the company's chief executive officer and president of the board, left a message on a Blade reporter's phone but did not respond to an email or subsequent calls for an interview. Mossie Murphy, Willard & Kelsey's vice president of development, did not respond to a call or an email seeking comment.

It's still too early to tell how the attorney general's office will proceed, but there are a number of options available, Mr. Tierney said. The state could work out a payment schedule with Willard & Kelsey or demand payment in full.

If collections procedures are unsuccessful, the attorney general's office will bring in a state-appointed attorney to take the company to court.

Both state loan agreements list solar-panel machinery possessed by Willard & Kelsey as collateral. It's unclear how much that equipment is worth or how much it has depreciated since it was purchased.

In the event Willard & Kelsey declares bankruptcy, the state would become a creditor in the bankruptcy case, but it's unclear where the state would fall among the list of entities that are owed money. It's also unclear how much money the state could retrieve from Willard & Kelsey if it goes under.

"What I'd really like to see happen is us get paid back," said Todd Nein, interim executive director of the air authority.

The attorney general's office is most successful in collecting smaller debts, Mr. Tierney said. In fiscal year 2011, the attorney general's office was responsible for collecting the balance of 60 loan accounts transferred from the development services agency.

It was able to retrieve \$357,863 on a total principal balance of \$20,036,631. Details on how many loans were repaid in full or put on a payment plan were not available.

An ongoing Blade investigation into Willard & Kelsey revealed that executives were loaned or compensated with almost \$1.4 million in company funds from 2008 to 2009 and used company credit cards to purchase airline tickets for family members and attend Detroit Tigers and Pittsburgh Steelers events.

Willard & Kelsey's former chief executive officer, who was fired in 2009 and died in 2011, claimed the company misused loan funds from the former Department of Development to compensate the company's brass.

If true, those payments would violate the company's state loan agreement.

The company was sued in 2010 by some of its investors for "corporate waste through sham loans and 'guaranteed payments'" to executives. That case was filed in the U.S. District Court in Toledo and was settled in December, 2011, court records show. The settlement was not included in the court documents.

The development services agency began an audit in May of how Willard & Kelsey used its state funding, but the results of that investigation have not been made public because it has not been finalized, said Katie Sabatino, the spokesman for the agency.

The state isn't the only party looking to get paid — several companies that worked with Willard & Kelsey are waiting for payments ranging from a few thousand dollars to almost \$100,000.

Don Grimm has been waiting more than a year to receive the \$87,000 his company is owed by Willard & Kelsey.

Defiance-based Northwest Custom Mechanical, of which Mr. Grimm is a part-owner, completed ventilation work inside the Willard & Kelsey facility at the close of 2010. Since that time, Mr. Grimm has been met with a slew of excuses and delays in payment.

"It was really a shock for me last year to realize I might lose that money," he said. "We're like 15 employees total for my company and that amount of money last year was close to half of our gross profits for the year."

Mr. Grimm is trying to sue Willard & Kelsey in the Lucas County Court of Common Pleas because he's fed up with waiting to be paid. According to court records, a summons was sent to the company's facility in Perrysburg but was returned because no one was able to sign for it.

"There is nothing I can do about it except go through the process," he said. "That's a lot of money for a little guy like me."

In addition to the suits brought by the investors and Mr. Grimm, Willard & Kelsey also has been sued by Maumee Valley Fabricators and a Florida woman who claimed the firm failed to produce panels for a European buyer she secured — causing her to lose out on a \$14.9 million commission. In the suit, Karen W. "Kay" Stripling, who declined to speak with The Blade, claimed Willard & Kelsey "knowingly and repeatedly" misrepresented its ability to produce solar panels that could be certified for use in Europe and delivered to the buyer.

The company reached a confidential settlement with Ms. Stripling in 2010.

The case brought by Maumee Valley Fabricators was dismissed, and it's unclear if the two parties reached a settlement. No one at Maumee Valley Fabricators was able to comment on the case.

Twelve vehicles were parked outside Willard & Kelsey's sprawling 262,000-square-foot plant along State Rt. 25 Wednesday afternoon. The firm laid off more than half of its more than 80-person workforce in January.

Andre Rivard, east region sales manager of Wisconsin-based Ellsworth Adhesives, said his company has been trying to collect a few thousand dollars from Willard & Kelsey since October, 2011. Mr. Rivard said his company stopped sending materials — it produces a solar panel sealing compound — after payments stopped coming in, but it made no difference to Willard & Kelsey because the company wasn't producing anything.

"We ended up sending it to collections, but it got sent back that there was no likelihood of this getting paid," Mr. Rivard said.

Mr. Rivard said attempts to reach Willard & Kelsey executives at the company's headquarters have been unsuccessful, and it angers him that the company won't pay.

"[The sales manager for the account] has shown up and nobody has answered the door," he said.

Willard & Kelsey stopped communicating with Vern Risser, head of Daystar Inc., when he tried to collect the almost \$17,000 his company is owed. Daystar, based in Las Cruces, N.M., produces machinery to test the efficiency of solar panels.

Willard & Kelsey did contact Mr. Risser after he was quoted in a Blade article in April, but stopped talking with him after about a month.

“We gave them an offer to give the equipment back so we could refurbish it and resell it, and then they just went dark,” he said.

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