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IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, LAW DIVISION

SEAFLO MARINE AND RV NORTH AMERICA, LLC, an Illinois limited liability company,	)	
Plaintiff,	)	**2024 L 6956**
v.	)	**CALENDAR S**
PATRICK INDUSTRIES, INC., an Indiana corporation; PATRICK DISTRIBUTION, an unincorporated division of PATRICK INDUSTRIES, INC., an Indiana corporation; and LASALLE BRISTOL CORPORATION, an Indiana corporation and subsidiary of PATRICK INDUSTRIES, INC.,	)	
Defendants.	)	

PLAINTIFF'S MOTION FOR LEAVE TO AMEND COMPLAINT

Plaintiff, Seaflo Marine & RV North America, LLC ("Seaflo"), by and through its attorneys, Mayer and Marsh and Jenner & Block LLP, hereby respectfully requests that this Court grant Plaintiff leave to amend its Complaint. The proposed Fourth Amended Complaint is attached as Exhibit A. A redline showing changes between Seaflo's operative Third Amended Complaint and the proposed Fourth Amended Complaint is attached as Exhibit B.

Counsel for Plaintiff informed counsel for Defendants that Plaintiff would be filing this motion and provided Defendants with an advance copy of the proposed Fourth Amended Complaint and redline showing changes from the Third Amended Complaint. Defendants responded that "[a]t this time, we cannot consent to your request for leave to file another complaint."

INTRODUCTION

Under well-established Illinois law, leave to amend is to be liberally granted and courts presume that amendment should be allowed—particularly when the case is at a relatively early stage and the amendment is based on documents revealed in discovery. That principle applies with full force here. Discovery has not yet been completed and no trial date has been set. And the proposed Fourth Amended Complaint adds new claims based on internal documents that Defendant Patrick Industries, Inc. ("Patrick") produced in discovery, and on Patrick's own announcement of a new megamerger with its chief rival.

This new information—which was not available to Seaflo at the time it filed the Third Amended Complaint—provides important new facts to support the new claims that Seaflo seeks to assert. Among other things, the new information shows:

- Patrick fraudulently induced Seaflo to agree to the Exclusive Distributor Agreement ("Agreement") based on representations that Patrick and its affiliates would not offer a competing product, even though months earlier Patrick had acquired an affiliate that was in the process of obtaining third-party certification for a competing product and received that certification just a week before the Agreement was signed;

- Beginning shortly after the Agreement was signed, Patrick and its affiliate agreed that Patrick would not get "overly aggressive" in selling Seaflo's product to a key manufacturer with whom the affiliate already had "all the business." Patrick agreed to "keep overall margins as high as possible," despite admitting that Seaflo's product was superior.

- In April 2022, after Patrick's subsidiary had raised prices on its product, Patrick's own sales team observed that customers found Seaflo's product to be cheaper and higher quality. But rather than press that advantage to sell the Seaflo Product (as required under the Agreement), the Patrick representative who signed the

Agreement told the Patrick sales team that he was concerned that renewed competition would upset Patrick's subsidiary. In the aftermath of that exchange, Patrick did not purchase additional quantities of the Seaflo Product.

- Patrick used the Agreement's exclusivity to prevent Seaflo from selling its product through other distributors—without selling the Seaflo product as promised—to pave the way for Patrick and its affiliates to capture and monopolize the market. At one point, executives who simultaneously served in high-level roles at Patrick and its affiliates devised a plan to have Patrick keep supplying token quantities of the Seaflo product to avoid "giv[ing] SeaFlo a reason to seek a new distributor"—which would have restored competition.

- Executives who simultaneously served in high-level roles at Patrick and its affiliates directed personnel to "MINIMIZE" communication with Seaflo and to quietly move all the Seaflo business to Patrick's affiliate "as planned." To prevent Seaflo from learning the truth, they removed Seaflo's key contacts at Patrick from written communication about the Seaflo business and directed that important discussion occur by phone.

- Patrick announced a merger with its primary competitor, Lippert, to combine the nation's two largest RV component suppliers and distributors into a single entity. The deal would create an industry behemoth with such extensive market power that it would unreasonably restrain trade and monopolize key markets to the detriment of suppliers, distributors, manufacturers, and customers.

Against that backdrop, Seaflo easily clears the low bar for permitting amendment. First, Seaflo did not have access to the new information underlying its new claims when it filed its Third Amended Complaint, and Seaflo has timely sought leave to amend its complaint. Second, amendment will not unduly prejudice or surprise Patrick. Discovery remains open and no trial date has been set. The documents and written discovery that have already been exchanged remain relevant because Seaflo's existing claims that the Court found viable have not changed and will remain in the case. And Patrick cannot be heard to complain about Seaflo's new claims when they are based on Patrick's own communications (which were previously hidden from Seaflo), and its own business decision (which it recently announced). Moreover, permitting amendment will be efficient for both the Court and the parties because it will keep all of Seaflo's claims against Patrick in the same case before the same judge, rather than multiplying litigation.

Seaflo's motion to amend should be granted.

BACKGROUND

I. The Operative Complaint and Procedural History

On April 16, 2019, Seaflo and Patrick entered into the Agreement under which Patrick became the exclusive distributor of Seaflo's products and committed to purchase 500,000 units. Section 6, the Conflict of Interest clause, restricts Patrick and entities under common control with it from representing products that compete with Seaflo's products and requires disclosure of any competing products represented. Section 12(f) separately provides that "Distributor shall inform the Company of new product developments that are competitive with the Product."

On June 6, 2019, less than two months after the Agreement was signed, Patrick's own signatory to the Agreement told Seaflo that he had just learned LaSalle Bristol was marketing a "Utopia" brand product "exactly like" the Seaflo Product. He asked Seaflo to confirm it was not supplying LaSalle Bristol, giving the "very coincidental" timing. When Seaflo asked why Patrick could not resolve the problem internally, since Patrick owned LaSalle Bristol, Murray responded that he would help Seaflo compete against LaSalle Bristol.

Thereafter, that representative and others at Patrick told Seaflo that they were working to sell the Seaflo Product and even suggested expanding the business relationship into new products. But over the five-year period of the contract, Patrick ultimately purchased only a small fraction of the units it committed to buy. Patrick purchased just 30,000 units of each of the three Seaflo Product components in its initial order, plus an additional 10,000 units of one component years later. All told, 460,000 to 470,000 units of each component went unpurchased against Patrick's 500,000-unit, five-year commitment. And additional business did not materialize.

Seaflo initially filed this action in 2024. In its Third Amended Complaint, Seaflo asserted eight claims for breach of contract, tortious interference, unjust enrichment, and fraud. The Court denied Patrick's motion to dismiss as to Counts II, IV, and VIII, and dismissed the remaining counts in Plaintiff's Third Amended Complaint. Thereafter, the parties engaged in written and document discovery. As of the filing of this motion, one deposition has occurred and the parties have agreed to extend discovery until the end of the year.

II. New Information Comes To Light Since The Third Amended Complaint

As part of fact discovery, Patrick began producing documents and communications that had not previously been available to Seaflo. Those documents revealed for the first time new information to support additional claims against Patrick.

For example, certain documents showed that Patrick knew or should have known that a company it had acquired just months earlier was impermissibly competing with the Seaflo Product at the time the Agreement was signed. Those new documents show that LaSalle Bristol had begun seeking certification months before the Agreement was signed, and actually received its required product certification a week before the Agreement was signed. The new documents also show that Patrick's leadership knew or must have known about LaSalle Bristol's actions because Patrick performed due diligence before the December 2018 acquisition, Patrick leadership significantly overlapped with LaSalle Bristol's, and the overlapping leadership communicated about products and business strategy—including about Seaflo. FAC Ex. 10.

Other new documents showed that although Patrick had agreed to exclusively sell the Seaflo Product, and assured Seaflo that it was working to sell Seaflo's product, behind the scenes Patrick was actually protecting sales of its affiliate's competing product at Seaflo's expense. For example, in an October 2020 email exchange, LaSalle Bristol's Vice President of Sales warned the Patrick representative who signed the Agreement not to "get overly aggressive" in pursuing sales of the Seaflo Product because LaSalle Bristol had "all the business" with "high margins" at a major manufacturer. The VP threatened that trying to sell the competing Seaflo Product would "force" LaSalle Bristol "to sell the product to [the manufacturer] at a significantly reduced margin." FAC Ex. 11. The Patrick representative responded that he understood and would "support the effort to keep overall margins as high as possible." *Id.* Roughly 18 months later, after LaSalle Bristol had raised prices, the Patrick sales team sought to make a new push to sell the Seaflo Product. *See* FAC Ex. 12. Despite acknowledging that he and customers viewed Seaflo's product as cheaper and higher quality, the Patrick representative expressed concern that Patrick's subsidiary LaSalle Bristol would be upset about the competition. *Id.*

Until discovery, Seaflo was not aware of these communications or of Patrick's efforts to support the sales of its subsidiary's competing product rather than Seaflo's. Indeed, during the relevant time period, Patrick falsely reassured Seaflo directly that their relationship was strong and that their business together may even expand. *See, e.g.*, FAC ⁋⁋ 174(h), 187.

Yet other newly disclosed communications showed that Patrick took affirmative steps to hide its plans and misdeeds from Seaflo. For example, shortly after the Agreement's exclusivity period ended, Andrew Batson, simultaneously LaSalle Bristol's President and CEO and a Patrick Senior Vice President, directed personnel to "transition" business from Seaflo "to LSB as planned." FAC Ex. 13. In the same series of communications, he directed personnel to

"MINIMIZE vendor communication" with Seaflo, to route further discussion by phone rather than in writing, and to keep supplying only token amounts of the Seaflo Product because he did "not want to give SeaFlo a reason to seek a new distributor." *Id.* When Seaflo's potential legal claims came up in the exchange, one of Seaflo's main contacts at Patrick was removed from the thread — ostensibly to prevent him from alerting Seaflo. *See id.*

Independent of discovery, on June 30, 2026, Patrick announced a merger with its chief rival, Lippert, that would combine the two largest suppliers and distributors of RV components in the United States. According to those knowledgeable about the industry, the proposed combination would create a single entity with billions of dollars in revenue that touches nearly every stage of RV assembly—from chassis systems and structural components to interior finishes and aftermarket parts—that could lock out meaningful competition for suppliers, distributors, and manufacturers. Industry insiders have estimated the combined company could supply well over half of the products and materials used in a typical recreational vehicle. The Chairman of the Senate Judiciary Subcommittee on Antitrust, Competition Policy, and Consumer Rights has already raised serious antitrust concerns about the combination of these companies. As of this filing, the transaction remains under review by federal antitrust regulators.

III. The Proposed Fourth Amended Complaint

Seaflo seeks leave to file a Fourth Amended Complaint that would add new claims and factual allegations based on the new information it has obtained since filing the Third Amended Complaint, including the information described above. The Fourth Amended Complaint would conform the complaint to the evidence disclosed for the first time in discovery and that became publicly available after the Third Amended Complaint was filed.

The new claims are: (1) fraudulent concealment, based on Patrick's failure to disclose that its subsidiary had a certified competing product when Patrick entered into the Agreement, and Patrick's coordinated efforts to suppress Seaflo's sales and help its subsidiary's (Count IX); (2) fraudulent misrepresentation and inducement, based on Patrick's ongoing misrepresentations designed to induce Seaflo to sign the Agreement, to not terminate it, and to not investigate the true cause of Patrick's non-performance (Count X); (3) violation of the Illinois Consumer Fraud and Deceptive Business Practices Act, based on Patrick's fraud, unfair methods of competition, and other unfair and deceptive business practices (Count XI); (4) unreasonable restraint of trade in the market to purchase, sell, and/or distribute waterless P-traps, in violation of the Illinois Antitrust Act, based on Patrick's weaponization of the Agreement to shelve the Seaflo Product while paving the way for Patrick's own subsidiary to capture that market (Count XII); (5) monopolization and attempted monopolization in violation of the Illinois Antitrust Act, based on that same conduct (Count XIII); (6) unreasonable restraint of trade in the market to purchase, sell, and distribute RV components, in violation of the Illinois Antitrust Act, based on Patrick's pending merger with Lippert (Count XIV); and (7) monopolization and attempted monopolization in violation of the Illinois Antitrust Act, based on that same merger (Count XV).

ARGUMENT

"[A]t any time before final judgment[,] amendments may be allowed on just and reasonable terms," including to "chang[e] the cause of action or defense or add[] new causes of action or defenses." 735 ILCS 5/2-616(a). In addition, a court may allow a party to amend its pleadings "at any time, before or after judgment, to conform the pleadings to the proofs, upon terms as to costs and continuance that may be just." 735 ILCS 5/2-616(c).

"The decision whether to grant leave to amend a pleading rests within the sound discretion of the trial court," and "courts are encouraged to freely and liberally allow amendments to pleadings." *Lee v. Chicago Transit Auth.*, 152 Ill. 2d 432, 467 (1992). Indeed, "under normal circumstances leave to amend should be liberally granted." *Tomm's Redemption, Inc. v. Hamer*, 2014 IL App (1st) 131005, ¶ 13. The "ultimate question is whether the amendment would further the ends of justice." *Hiatt v. Ill. Tool Works*, 2018 IL App (2d) 170554, ¶ 38. Any "[d]oubts should be resolved in favor of the allowance of the amendment." *Smith v. Chem. Pers. Search, Inc.*, 215 Ill. App. 3d 1078, 1085 (1st Dist. 1991).

Illinois courts use the *Loyola* factors as non-dispositive "guidelines for the court's liberal exercise of its discretion." *Hiatt*, 2018 IL App (2d) 170554, ¶ 38. Those factors are: (1) whether the proposed amendment would cure the defective pleading; (2) whether other parties would sustain prejudice or surprise by virtue of the proposed amendment; (3) whether the proposed amendment is timely; and (4) whether previous opportunities to amend the pleading could be identified. *Loyola Acad. v. S & S Roof Maint., Inc.*, 146 Ill. 2d 263, 273 (1992).

Here, allowing amendment would "further the ends of justice" and satisfy each of the relevant *Loyola* factors.[1]

First, allowing amendment would not cause "other parties" to "sustain prejudice or surprise." This is the "most important" factor, and "when there is no prejudice or surprise to the nonmovant," "substantial latitude to amend will be granted." *Sheth v. SAB Tool Supply Co.*, 2013 IL App (1st) 110156, ¶¶ 101, 104; *see also Paschen Contractors, Inc. v. City of Kankakee*, 353 Ill. App. 3d 628, 638 (3d Dist. 2004). Patrick cannot credibly claim prejudice or surprise when

[1] The first factor—whether the proposed amendment would cure a defective pleading—does not apply here because Seaflo does not seek to cure any defect in its claims. Seaflo's proposed FAC does not make any material changes to the existing claims, which this Court found stated a claim.

the proposed new claims rest substantially on documents that *Patrick itself* produced in discovery and *Patrick's own* recent decision to attempt to merge with its chief rival. Nor can Patrick claim prejudice based on the current posture of the case. Fact discovery remains open; no expert discovery deadline has yet been set; and no trial date has been set. If amendment is allowed, Patrick will have a full and fair opportunity to respond however it sees fit.

Second, Seaflo's proposed amendment is timely because it is made before final judgment. *See* 735 ILCS 5/2-616(a); *Lee*, 152 Ill. 2d at 468. Seaflo has also moved promptly in seeking amendment after disclosure of the communications that serve as the factual predicate for Seaflo's new claims and the announcement of Patrick's merger with Lippert. Indeed, Seaflo could not have pled its new claims in the Third Amended Complaint because, at that time, it did not have the necessary facts that would later be revealed. For the same reason, Seaflo did not have a prior opportunity to amend to add its new claims—which further favors allowing amendment.

Finally, judicial efficiency and economy favor allowing amendment. Seaflo's proposed new claims arise from the same common nucleus of operative fact as Seaflo's existing claims, although the new claims are supported by new evidence that was not previously available. Accordingly, litigating the new claims and existing claims separately—which would occur if leave to amend were denied—would require wasteful duplication of resources. It would require the parties to undertake discovery in two separate actions. It would also require a second court to become familiar with the key facts, participants, and context, and risk inconsistent rulings on overlapping facts. By contrast, keeping Seaflo's claims in a single case before a single judge who is already familiar with the case avoids that duplication and the risk of inconsistent outcomes.

Under these circumstances, there is ample precedent for allowing Seaflo to amend the complaint. For example, in *Sheth v. SAB Tool Supply Co.*, the court granted leave to amend at the close of all trial evidence, before closing arguments, to allow plaintiffs to add a new theory of recovery. 2013 IL App (1st) 110156, ¶ 100. The Appellate Court affirmed, explaining that "the party opposing an amendment to pleadings has the burden of showing surprise or prejudice," and that, absent such a showing, "courts should liberally permit amendments to pleadings." *Id.* ¶ 104; *see also Lee*, 152 Ill. 2d at 469 (finding no abuse of discretion in allowing leave to amend for a plaintiff "to change her theory of the case immediately before closing argument"); *Pry v. Alton & S. Ry. Co.*, 233 Ill. App. 3d 197, 213 (5th Dist. 1992) (following trial, "the court's allowance of the amended pleadings to conform to the proof was not an abuse of discretion"). Here, Seaflo seeks leave when discovery has not even been substantially completed—long before close of evidence at trial.

Moreover, the Appellate Court has repeatedly found that the Circuit Court abuses discretion by denying leave to amend in cases like this one. For example, in *White v. Iroquois Mem'l Hosp. & Resident Home*, the Appellate Court found the circuit court "abused its discretion when it denied the plaintiff leave to file his fifth amended complaint" when "the new claims were based, in part, on information obtained later during discovery," given that "discovery is still ongoing" and the parties "have not even disclosed their experts yet." 2026 IL App (3d) 230428-U, ¶¶ 46, 54-55. Similarly, in *Kopnick v. JL Woode Mgmt. Co., LLC*, the Appellate Court found it was an abuse of discretion to deny leave at the "preliminary stages of this relatively new case" where "defendant's discovery into possible defenses was still available." 2017 IL App (1st) 152054, ¶ 32; *see also Giacalone by Giacalone v. Chicago Park Dist.*, 231 Ill. App. 3d 639, 644–45 (1st Dist, 1992) (reversing denial of leave to amend, noting that "[a]mendments which result in changes in legal theories are permitted and have been held not to create prejudice which warrant a denial of the proposed amendment"). The Illinois Supreme Court has also found that a trial court abused discretion in denying leave to amend where, as here, "the proposed amendment contained factual information that plaintiffs uncovered during discovery and could not have included in their complaint at an earlier time." *In re Est. of Hoover*, 155 Ill. 2d 402, 417 (1993); *see also Steadfast Ins. Co. v. Caremark Rx, Inc.*, 373 Ill. App. 3d 895, 901 (1st Dist. 2007) (trial court abused discretion in denying leave to amend where "the event giving rise to [the new] claim . . . did not occur" until after filing the original complaint).

CONCLUSION

For the foregoing reasons, the Court should grant this Motion and enter an Order granting Plaintiff leave to file its Fourth Amended Complaint, attached hereto as Exhibit A.

Dated: September 3, 2026

Respectfully submitted,

SEAFLO MARINE AND RV NORTH AMERICA, LLC

By: *__/s/ Gabriel K. Gillett__*
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CERTIFICATE OF SERVICE

The undersigned certifies that on September 3, 2026, a copy of the foregoing document was caused to be served on the following via electronic mail:

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