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### Garwin McNeilus finds himself entangled in another legal battle

By Tony Carideo; Staff Writer

**Garwin McNeilus**, owner of McNeilus Companies Inc., who already has a nasty fight going with Corporate Report Minnesota, is in another legal battle.

Last week Rocket Holding Inc., parent company of the now-defunct Rocket Mixer Inc. of Edina, sued in U.S. District Court alleging that McNeilus, a manufacturer of concrete mixers in Dodge Center, engaged in "anticompetitive conduct designed and intended to destroy competition and monopolize the concrete transit mixer market."

Rocket also alleges that the McNeilus company used predatory pricing to undercut competitors; acquired weakened competitors and liquidated the businesses; made "illusory offers" to buy competitors, then withdrew its offer after acquiring confidential competitive information. The suit also charges McNeilus with "bid stealing, wiretapping, (and) misappropriation of trade secrets."

Rocket, which is represented by Alan Anderson, a Minneapolis lawyer with the firm of Robins, Kaplan, Miller & Ciresi, claims that McNeilus, upon learning that Rocket was negotiating to sell its assets to another company, made an offer to buy the company that was substantially higher than the offer on the table. When that buyer was discouraged by the McNeilus offer, McNeilus "demanded unreasonable terms, knowing that the demands would, and did, cause the proposed deal to collapse."

We'd note here that Anderson also is representing Dale Straley, the former vice president of sales at Challenge-Cook Brothers of Ohio and once McNeilus' chief competitor. Straley is suing McNeilus for not fulfilling a contract that he had with the company after McNeilus hired him and for illegally tapping his phone.

McNeilus was the subject of unflattering March cover story in Corporate Report titled, "The Hardest Man in the Cement Mixer Business," which detailed similar alleged business practices. McNeilus sued the magazine for libel, saying it contained at least 68 false and defamatory statements about him and his business.

"If you read the Corporate Report article and you read the (Rocket) litigation, it's amazingly similar," said Tom Winkels, McNeilus's chief financial officer. "All the lawsuit tells you is that they are able to read Corporate Report."

Asked about the allegations, Winkels replied: "As (Clarence) Thomas said, it's not true." He said the company has no plans to drop its libel suit against the publication.

Look at it go!

Among the hot stocks in this crazy market, NWNL Companies Inc. remains among the most controversial locally because of the intense investor disagreement over the quality of the company's assets.

But the stock of late has been a freight train in spite of little in the way of good news from the rating agencies, which continue to downgrade the industry, including NWNL. In late September, S&P knocked down NWNL's claims paying rating by a full letter grade (from a double A to a single A), estimating that reserves necessary to absorb asset quality problems in the near term should approximate \$100 million.

That didn't stop the stock, which is now up by \$10 a share since the beginning of

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