



COMCO Plastics Inc. Sues – Timothy E. Butler, Plastic Stock Shapes, LLC & Apexco-PPSI, LLC

NEW YORK, OCT.29, 2014 /PRNewswire/ -- In August of 2014, COMCO PLASTICS, INC (COMCO) filed a federal lawsuit against its former Vice President of Sales, Timothy E. Butler (Butler), his wife Rhonda D. Butler, Plastic Stock Shapes, LLC (a company owned and operated by Timothy and Rhonda Butler), and APEXCO-PPSI, LLC (APEXCO), a manufacturer of plastic stock shapes and former supplier of COMCO. *Comco Plastics, Inc. v. Timothy E. Butler, Rhonda D. Butler, Plastic Stock Shapes, LLC and Apexco-PPSI, LLC*, United States Dist. Ct, E.D.N.Y., 1:14-cv-4566. Butler had previously worked for Nyltef Plastics Ltd., now a division of Polymer Industries, for approximately ten years prior to joining COMCO in January 2012.

According to the lawsuit, in December of 2013, while Butler was still employed as the Vice President of Sales for COMCO, Butler formed a company called Plastic Stock Shapes, LLC to compete directly with his employer, COMCO. This company actively marketed themselves as material distributors, as well as plastic fabricators. In April of 2014, Butler also became a partner in APEXCO-PPSI, LLC, while still employed with COMCO. The lawsuit alleges that Butler solicited customers of COMCO while he was on COMCO's payroll; and that he sought to divert COMCO's suppliers to Plastic Stock Shapes, his competing company.

The lawsuit also alleges that Butler further abused his position by stealing COMCO's proprietary customer and supplier information, as well as sales leads and providing them to his company; stealing COMCO's marketing materials; causing COMCO to sell material to his company at below market rates without COMCO's knowledge; and submitting fraudulent financial statements and documents purportedly on behalf of COMCO to a bank in an effort to obtain a loan for his own benefit. In addition to constituting an egregious breach of Butler's fiduciary and common law duties of loyalty, the suit also alleges that Butler's conduct is a willful violation of his Non-Disclosure and Non-Compete agreement with COMCO.

The lawsuit also alleges that Butler conspired with Apexco to steal COMCO's business, by diverting sales from COMCO to Apexco; providing COMCO's proprietary and confidential information, including trade secrets, pricing and customer lists to Apexco and using that information to pursue COMCO's customers.

According to COMCO's CEO & President, Michael French, "COMCO takes the security and confidentiality of customer, supplier, and pricing information very seriously. We intend to prosecute this action vigorously, and will not permit employees or competitors to exploit the information and customer relationships we have developed at significant time and expense to gain an unfair competitive advantage."

COMCO seeks to make it clear to its customers and suppliers that Butler is no longer employed with COMCO as of May 16, 2014, and that COMCO is not involved in any way with Tim Butler, Rhonda Butler, Apexco or Plastic Stock Shapes. As stated by French, "We regret any confusion or misrepresentation that may have occurred due to this situation. Our primary goal is to offer the highest level of service to all of our customers and have proudly been doing so for over 55 years." French further stated, "We hope that no organization suffers through such a breach of confidentiality and trust."

COMCO is a high precision machining services company, as well as a national distributor of high performance plastics and engineering grade plastics, with its principal place of business in New York. They have been a recognized manufacturing firm since 1956 and have ISO 9000:2008 and ISO 13485 certifications. COMCO is an active member of IAPD and they have sales offices throughout the United States. To learn more about COMCO visit us at www.comcoplastics.com
