

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEBRASKA

UNITED STATES LIABILITY
INSURANCE COMPANY,

Plaintiff,

v.

RETSEL CORPORATION d/b/a
GRAND GATEWAY HOTEL and
d/b/a CHEERS SPORTS LOUNGE
AND CASINO,

Defendants.

CIVIL ACTION NO. _____

**COMPLAINT FOR
DECLARATORY JUDGMENT
and DEMAND FOR JURY TRIAL**

COMES NOW, Plaintiff, United States Liability Insurance Company (“USLI”), complaining of Retsel Corporation d/b/a Grand Gateway Hotel and d/b/a Cheers Sports Lounge and Casino (collectively “Retsel”) (USLI and Retsel are collectively referred to as the “Parties”) and seeking a declaratory judgment, alleges and states the following:

1. This is a Complaint for a declaratory judgment pursuant to 28 U.S.C. § 2201, *et seq.*, and Rule 57 of the Federal Rules of Civil Procedure, in which USLI seeks a determination of its rights and responsibilities under a specific policy of insurance issued to Retsel.

2. USLI was at all relevant times a corporation duly formed and existing by virtue of the laws of the State of Nebraska. At all times relevant to this Complaint, USLI was, and is, licensed to conduct business throughout the State of South Dakota.

3. Retsel was at all times a corporation duly formed and existing by virtue of the laws of the State of South Dakota.

4. At all times relevant Retsel conducted business with citizens and residents of Nebraska, thereby maintaining regular relations or contact with the State of Nebraska sufficient to afford a basis for the exercise of personal jurisdiction by this Court consistent with the Constitution of the United States.

5. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1332 and 28 U.S.C. § 2201.

6. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391(b)(1) and 28 U.S.C. § 1391(c)(2) in that Retsel is deemed to reside in Nebraska as it is subject to personal jurisdiction in Nebraska.

7. This Declaratory Judgment action arises out of a lawsuit alleging racial discrimination by Retsel known as *NDN Collective, Sunny Red Bear et. al. v. Retsel Corporation, Connie Uhre, Nicholas Uhre et. al.*, case no. 5:22-cv-05027-LLP, currently pending in the United States District Court for the District of South Dakota Western Division (the “Lawsuit”).

8. USLI has, and continues to provide a defense for Retsel in the Lawsuit subject to a strict reservation of rights. The reservation of rights includes, but is not limited to, that there is no coverage for any award for attorney's fees, and no coverage for punitive damages.

9. Notwithstanding these significant limitations on its duty to indemnify, USLI has provided competent defense counsel to Retsel and to date has spent in excess of \$1,500,000 in defense of the Lawsuit.

10. USLI brings this action for judicial intervention due to Retsel's failure to cooperate with USLI and with defense counsel retained for Retsel in the Lawsuit.

The USLI Policy

11. USLI issued an Employment Practices Liability insurance policy to Retsel, policy no. EPL1007914N with an applicable policy period of October 28, 2021 to October 28, 2022 (the "Policy"). A true and correct copy of the Policy is attached hereto as **Exhibit "A."**

12. The Policy has certain Conditions which require performance by the insured as condition precedent to coverage. One of these conditions is that the Insured cooperate with USLI and the insured's defense counsel:

D. The Insured agrees to cooperate with the **Company** on all **Claims**, and provide such

assistance and information as the **Company** may reasonably request. Upon the **Company's** request, the **Insured** shall submit to examination and interrogation by a representative of the **Company**, under oath if required, and shall attend hearings, depositions and trials and shall assist in the conduct of suits, including but not limited to effecting settlement, securing and giving evidence, obtaining the attendance of witnesses, giving written statements to the **Company's** representatives and meeting with such representatives for the purpose of investigation and/or defense, all of the above without charge to the **Company**. The **Insured** further agrees not to take any action which may increase the **Insured's** or the **Company's** exposures for **Loss** or **Defense Costs**.

13. Retsel, on its own and through its individual members, officers and/or stakeholders has failed to sufficiently cooperate with USLI with respect to the Lawsuit.

14. More specifically, Retsel has, without the consent of its defense counsel, made certain filings in conjunction with proper filings by defense counsel which potentially compromise the defense of Retsel in the Lawsuit. These filings may increase the Company's exposures for Loss, as defined in the policy, in breach of the policy conditions.

15. Retsel has also deluged USLI and its defense counsel with hundreds of emails including instructions to file meritless motions in conjunction with those already filed by defense counsel. These emails and proposed filings rely heavily

upon open source Artificial Intelligence and, if filed by attorneys, would violate ethical rules propounded by the American Bar Association regarding the use of Artificial Intelligence in court filings.

16. Retsel's defense counsel is ethically bound to review and consider each of these hundreds, if not thousands, of frivolous communications which propound conspiracy theories regarding the judiciary and parties to the litigation.

17. Retsel's defense counsel has incurred excessive time and expense in reviewing, considering and responding to Retsel's communications. This has increased USLI's exposure for Defense Costs, as defined in the policy, in breach of the policy conditions.

18. Retsel's failure to cooperate with respect to the Lawsuit has prejudiced USLI.

19. USLI is entitled to reimbursement from Retsel of its prior payments to defense counsel which have been unnecessarily incurred by virtue of Retsel's failure to cooperate.

COUNT ONE
(Declaratory Judgment)

20. USLI incorporates as if fully set forth herein the allegations contained within the above paragraphs.

21. There exists an actual, substantial and justiciable issue in controversy between the Parties hereto with respect to USLI's obligations, or lack thereof, concerning coverage to Retsel under the Policy appurtenant to the Lawsuit.

22. A judicial determination and a declaration of the rights and obligations of the Parties is necessary and appropriate at this time because USLI has no adequate remedy at law which will resolve the current controversy.

23. USLI hereby asserts application of all of the terms, provisions, conditions, exclusions and other language of the Policy as a basis for the contention set forth herein that Retsel had an obligation to cooperate with USLI with respect to the Lawsuit.

24. USLI specifically prays the Court enter a Declaratory Judgment that, due to Retsel's breach of its duty to cooperate under the Policy, USLI has no further obligation to defend Retsel in the Lawsuit, including any appeals.

25. USLI specifically prays the Court enter a Declaratory Judgment that, due to Retsel's breach of its duty to cooperate under the Policy, USLI has no obligation to indemnify Retsel for any damages, fees or costs awarded in the Lawsuit, including, but not limited to, compensatory damages awarded, punitive damages awarded, or any award of attorney fees and costs.

26. USLI specifically prays the Court enter a Declaratory Judgment that, due to Retsel's breach of its duty to cooperate under the Policy, USLI is entitled to

reimbursement of Defense Costs, which it has unnecessarily incurred due to Retsel's failure to cooperate;

27. USLI specifically prays the Court enter a Declaratory Judgment that Retsel must cooperate with USLI and with Retsel's defense counsel, as directed by the Court in its discretion so as to prevent any further prejudice to USLI.

DEMAND FOR JURY TRIAL

28. Plaintiff USLI hereby demands trial by jury on all claims so triable.

WHEREFORE, USLI prays for relief as follows:

1. For a declaration that, due to Retsel's breach of its duty to cooperate under the Policy, USLI has no further obligation to defend Retsel in the Lawsuit, including any appeals;
2. For a declaration that, due to Retsel's breach of its duty to cooperate under the Policy, USLI has no obligation to indemnify Retsel for any damages, fees or costs awarded in the Lawsuit, including, but not limited to, compensatory damages awarded, punitive damages awarded, or any award of attorney fees and costs;
3. For a declaration that Retsel cooperate with its retained defense counsel and with USLI in such manner as determined by the Court in its discretion

4. For an award of attorneys' fees and costs pursuant to law;
5. For trial by jury as to all issues of fact; and
6. For such other and further relief as the Court may deem just and proper.

This the 17th day of February, 2026.

UNITED STATES LIABILITY
INSURANCE COMPANY,
Plaintiff,

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