



IN THE CIRCUIT COURT OF DALLAS COUNTY, ALABAMA

RAIL CONNECTION, INC.,)	
)	
Plaintiff,)	
)	
v.)	CIVIL ACTION NO. CV-2024-900137
)	
WILLIAM H. HUFFMAN, III and)	
SUSAN O'NEIL HUFFMAN,)	
)	
Defendants.)	

WILLIAM H. HUFFMAN, III,)	
individually and derivatively on)	
behalf of AMERICAN RAILWAY)	
SERVICES, LLC; WILLIAM H.)	
HUFFMAN, III, individually and)	
derivatively on behalf of WHEEL)	
WORX NORTH, LLC; WILLIAM H.)	
HUFFMAN, III, individually and)	
derivatively on behalf of RANGER)	
BEARINGS, LLC;)	
)	
Counterclaim Plaintiffs,)	
)	
v.)	
)	
HAINES A. O'NEIL,)	
RAIL CONNECTION, INC)	
AMERICAN RAILWAY SERVICES,)	
LLC; WHEEL WORX NORTH, LLC;)	
RANGER BEARINGS, LLC;)	
FICTITIOUS DEFENDANTS A-J,)	
)	
Counterclaim Defendants.)	

ANSWER AND COUNTERCLAIM

Defendant and Counterclaimant Plaintiffs, William H. Huffman, III ("Defendant"), submits this Answer and Affirmative Defenses to Plaintiffs' Complaint For Sale For Division ("Complaint") and alleges Counterclaims as follows:

1. This Paragraph does not state an allegation against Defendant and calls for a legal conclusion and, therefore, does not require a response from Defendant.

2. This Paragraph does not state an allegation against Defendant and calls for a legal conclusion and, therefore, does not require a response from Defendant. Should the Court find a response is required, Defendant admits venue is proper in Dallas County for all claims and defenses asserted herein, as well as those asserted in the associated litigation which is currently pending in the Circuit Court of Shelby County, Case No. CV-2023-900542.

3. Admitted upon information and belief.

4. Admitted.

5. Admitted.

6. Admitted.

7. This Paragraph does not state an allegation against Defendant and, therefore, does not require a response from Defendant.

8. Admitted.

9. Denied.

10. Upon information and belief, Defendant admits that Plaintiff has employed counsel to represent it in this litigation. All other material averments contained in this Paragraph are denied.

11. The Pleadings referred to in this Paragraph speak for themselves. Defendant expressly denies that venue is proper in Shelby County for the claims and defenses asserted therein.

12. Defendant admits that he is involved in the divorce proceeding referred to in this Paragraph. The remaining averments contained in this Paragraph do not state an allegation against Defendant and call for a legal conclusion and, therefore, do not require a response from Defendant.

As to the unnumbered Paragraph following Paragraph 12, Defendant denies Plaintiff is entitled to the requested relief and demands strict proof thereof.

AFFIRMATIVE DEFENSES

1. Plaintiffs' Complaint fails to state a claim upon which relief can be granted.
2. Defendant pleads the general issue.
3. Defendant denies the matters and things alleged in Plaintiffs' Complaint and demands strict proof thereof.
4. There is no causal relation to the claims made by Plaintiffs in this matter and Defendant's conduct.
5. Defendant denies that any of his alleged acts or omissions were the proximate cause of Plaintiffs' alleged injuries.
6. Defendant denies that Plaintiffs were injured as a result of any conduct by him.
7. Defendant denies that he breached any duty to Plaintiffs or others.
8. Defendant denies that he breached the terms of any agreement with Plaintiffs or others.
9. Defendant denies that he acted fraudulently, in bad faith or with malice.
10. Plaintiffs' claims are barred by the business judgment rule.
11. Plaintiffs' claims are barred by the applicable statutes of limitation and/or statutes of repose.
12. Plaintiffs' claims are barred by the doctrines of release, estoppel, accord and satisfaction, acquiescence, unclean hands, in pari delicto, laches, ratification, and/or waiver.
13. Defendant denies any allegation of Plaintiffs' Complaint not expressly admitted herein and demands strict proof thereof.

14. Discovery in this civil action is in its early stages. Therefore, Defendant reserves the right to amend his Answer to include additional defenses, including affirmative defenses, which may become apparent during discovery.

COUNTERCLAIM

COME NOW Counterclaimant Plaintiffs, William H. Huffman, III (“Huffman”), individually and derivatively on behalf of American Railway Services, LLC (“ARS”), Wheel Worx North, LLC (“Wheel Worx”) and Ranger Bearings, LLC (“Ranger Bearings”)(collectively hereinafter “Derivative Plaintiffs”) against Rail Connection, Inc. (“Rail Connection”), Haines A. O’Neil (“O’Neil”), ARS, Wheel Worx, Ranger Bearings, and the unnamed Defendants being those individuals and entities who breached duties owed to Huffman and Derivative Plaintiffs, or otherwise engaged in unlawful conduct with respect to them and whose identities are presently unknown but who will be added when ascertained. (collectively Rail Connection, O’Neil, ARS, Wheel Worx, Ranger Bearings with Fictitious Defendants A-J hereinafter “Defendants”) as follows:

PARTIES

1. Counterclaimant Plaintiff William H. Huffman, III is an adult resident of Dallas County, Alabama.
2. Defendant Rail Connection, Inc. is an Alabama corporation with its principal place of business in Jefferson County, Alabama.
3. Defendant Haines A. O’Neil is an adult resident of Jefferson County, Alabama.
4. Defendant American Railway Services, LLC is an Alabama limited liability company with its principal place of business in Shelby County, Alabama.

5. Defendant Wheel Worx North, LLC is an Alabama limited liability company with its principal place of business in Shelby County, Alabama.

6. Defendant Ranger Bearings, LLC is a Tennessee limited liability company.

7. Fictitious Defendants A-J whether singular or plural, who are those other persons, corporations, firms, or other entities who committed wrongful and/or illegal and/or tortious acts and/or conspired with one or more of the named Defendants to engage in an unlawful act or acts in furtherance of the conspiracy, proximately resulting in damage to Huffman, all of whose true and correct names are unknown to Huffman at this time but will be substituted by amendment when ascertained.

JURISDICTION AND VENUE

8. This Court has jurisdiction over this action as the minimum amount in controversy is present.

9. Venue is proper in this Court pursuant to Ala. Code §§ 6-3-2 and 6-3-7 (1975).

STATEMENT OF FACTS

10. Huffman, along with his wife Susan Huffman, and Rail Connection are tenants in common of the Property referred to in the Complaint filed by Rail Connection on May 17, 2024 (the “Selma Farm”).

11. Rail Connection seeks a Decree from this Court for sale for division of the Selma Farm. *See* Doc. No. 2.

BACKGROUND AND OWNERSHIP OF COMPANIES

12. Huffman owns a minority interest in ARS, Wheel Worx, and Ranger Bearings.

13. Huffman’s ownership interests are as follows:

- 24.50% membership interest of ARS;

- 27.50% membership interest of Wheel Worx jointly with his wife, Susan Huffman; and,
- indirectly owns a 22.05% membership interest in Ranger Bearings through his status as a 24.50% member of ARS.

14. Until the summer of 2023, Huffman was a key executive in the Derivative Plaintiffs. Indeed, Huffman was involved in the daily operations and management of each of the Derivative Plaintiff companies.

15. O'Neil, the majority owner in all the Derivative Plaintiffs and acting manager of the Derivative Plaintiffs, controls all the daily management and operations of the companies. Additionally, as acting manager, O'Neil controls and instructs all the Derivative Plaintiffs' employees and contractors.

SHAREHOLDER OPPRESSION

40. Huffman is married to O'Neil's daughter, Susan. Huffman and Susan are currently going through divorce proceedings which are pending in Jefferson County, Alabama, Case No. DR-2022-901574.

41. After the initiation of divorce proceedings between Huffman and Susan, at O'Neil's direction, the Derivative Plaintiffs' employees (along with O'Neil) have undertaken certain actions to freeze out, diminish, exclude, and/or oppress Huffman's involvement in the Derivative Plaintiffs.

42. As part of the intentional efforts to squeeze out and oppress Huffman, O'Neil and Fictitious Defendants undertook the following actions:

- a. O'Neil terminated Huffman's employment;

- b. O'Neil has instructed others to refrain from providing Huffman with information related to the Derivative Plaintiffs;
- c. O'Neil has restricted and denied access to the Derivative Plaintiffs' financial documents and records;
- d. O'Neil has caused the Derivative Plaintiffs to sue Huffman;
- e. O'Neil made false and slanderous statements concerning Huffman to key customer stakeholders thereby causing issues with said customers related to the future of the Derivative Plaintiffs' stability and reliability of management;
- f. O'Neil has caused and permitted inexperienced employees to control and manage key aspects of the Derivative Plaintiffs without adequate training and supervision;
- g. O'Neil created a hostile working environment by threatening to terminate employees who interact and/or communicate to Huffman;
- h. O'Neil, in an effort to control all aspects of companies, will not permit employees to fully perform their jobs or duties;
- i. O'Neil has implemented a plan to strategically cause the companies to provide him, and his daughters, Susan and Jennifer, to receive a windfall from the companies while the companies themselves are in dire need of reinvestment and expansion to continue to operate as intended;
- j. O'Neil refuses to permit the Derivative Plaintiffs to provide Huffman with tax information; thereby causing Huffman to not be able to complete his own tax preparation;

- k. O'Neil, has caused the Derivative Plaintiffs to initiate litigation against Huffman;
- l. O'Neil, through his oppressive actions, has caused the Derivative Plaintiffs to lose value;
- m. At O'Neil's direction, withheld salary and expense reimbursement from Huffman; and
- n. Failed to pay Huffman any profit from the Derivative Plaintiffs.

43. O'Neil's motive for undertaking all these wrongful acts was to inflict direct harm to Huffman, diminish the value of the Derivative Plaintiffs so that Huffman's value would also diminish, and to force Huffman to sell his interest in the Derivative Plaintiffs at a low value.

FUTILITY OF DEMAND

44. Huffman, directly to O'Neil, through employees, as well as through Huffman's counsel to O'Neil through counsel, has repeatedly asked for information, including financial information regarding the transactions set forth herein above and has demanded O'Neil rectify the wrongful actions alleged herein. Each demand has been ignored. Moreover, O'Neil, as the majority owner, controls not only the actions of the Derivative Plaintiffs, but also holds control over the other minority shareholders such that they will not deviate from or challenge O'Neil's directives. O'Neil, as well as the other minority shareholders, have inherit conflicts of interest and therefore cannot investigate themselves. O'Neil and the remaining Derivative Plaintiffs have such hostility towards Huffman and have continuously rebuffed his demands, that any other demand would be futile and therefore excused.

WRONGFUL WITHHOLDING OF PAYROLL FUNDS

45. Beginning in May of 2023, Huffman discovered that O’Neil was wrongfully withholding funds from Huffman’s paychecks (the “Payroll Funds”).

46. Upon making this discovery, Huffman confronted the Chief Financial Officer (CFO) of Defendants’ companies, Harry Kampakis (“Kampakis”). Kampakis informed Huffman that O’Neil had instructed Kampakis to continue paying Huffman, but to withhold a majority of the funds such that they were not issued to Huffman as reflected on various payroll and tax documents.

47. Upon information and belief, O’Neil unilaterally decided to withhold the majority of Huffman’s Payroll Funds with no notice to Huffman and, likewise, unilaterally determined the amounts withheld on each such occasion.

48. As a result of O’Neil’s actions, Huffman’s 2023 W-2 reflected earnings of approximately \$142,000; however, the actual amount of Payroll Funds received by Huffman was significantly less.

FALSE CRIMINAL ACCUSATIONS

49. In or around 2017 or 2018, Huffman purchased a 2017 Ford F-250 pickup truck (the “Truck”). Huffman used monies derived from the trade in of his own personal vehicle for payment of the Truck. He, additionally, with authorization, used funds from Rail Connection, Inc. to pay the remainder of the purchase price of the Truck. Since its purchase, the Truck has been viewed as Huffman’s personal Truck.

50. In fact, in the divorce proceedings between Huffman and Susan, Susan listed the Truck as a vehicle owned by her and Huffman in her sworn answers to Huffman’s Interrogatories.

51. On October 24, 2023, counsel for Counter Defendants reached out to undersigned counsel to inquire about payment for the tag renewal for the Truck. Undersigned counsel and counsel for Counter Defendants met to discuss the tag renewal fee on October 25, 2023. During that meeting, undersigned counsel informed counsel for Counter Defendants that the Truck was parked at the Selma farm and was not currently being driven by Huffman during the pendency of the companion lawsuit which is currently pending in the Circuit Court of Shelby County, Alabama.

52. Counsel for all parties left the October 25th meeting with the understanding that they would continue discussing the tag renewal fee and that Huffman would continue not driving the Truck until ultimate ownership was determined through litigation.

53. Notwithstanding this, on October 27, 2023, O'Neil, through his counsel, demanded that the Truck be returned or that Huffman pay O'Neil the Kelley Blue Book value of the Truck to keep it. Huffman rejected O'Neil's proposal but expressed that he remained willing to discuss payment of the tag renewal fee and to maintain the status quo during the pendency of the ongoing litigation.

54. Shortly, thereafter, aided and abetted by others, O'Neil contacted the Calera Police Department and reported that Huffman had stolen the Truck.

55. Upon information and belief, the Calera Police Department contacted the Selma Police Department and the Selma Police went to the Selma farm and seized the Truck.

56. The false accusations made by O'Neil set forth above were false when they were made and O'Neil knew that they were false when they were made.

57. The false criminal accusations were made with malice and with the intent to harm Huffman.

**COUNT I—ATTORNEYS FEES ASSOCIATED WITH SALE FOR DIVISION OF
SELMA FARM**

58. Huffman incorporates by reference all allegations contained in the foregoing paragraphs of this Counterclaim as if fully set out herein.

59. Should the Court determine that a sale for division is appropriate with respect to the Selma Farm, Huffman hereby requests a Decree that establishes:

(1) That the Court establish a reasonable attorneys' fee to be paid to Huffman's attorneys out of the proceeds of the sale or sales and that all expenses incurred in connection with the sale of the Selma Farm will also be paid out of the proceeds of the sale in such a manner as may be determined by the Court and that the remaining proceeds be distributed between Rail Connection on the one hand and Huffman and Susan Huffman on the other consistent with their ownership interests and sending such proceeds attributable to Huffman and Susan Huffman's interests to the Divorce Court for deposit in the registry of that Court presiding over the divorce proceedings involving Huffman and Susan Huffman; and,

(2) For any and all other relief relating to the sale of the Selma Farm as may be appropriate and available to Huffman under the law to give effect to the intent and purpose of this claim.

COUNT II—BREACH OF FIDUCIARY DUTIES

60. Huffman incorporates by reference all allegations contained in the foregoing paragraphs of this Counterclaim as if fully set out herein.

61. As minority owner of the Derivative Plaintiffs, Defendants owed certain duties to Huffman. Specifically, Defendants owed a fiduciary duty to cause Huffman to be paid profits and income from Derivative Plaintiffs that were properly owed to Huffman.

62. Defendants breached the duties they owed to Huffman.

63. As a result of Defendants' breaches, Huffman was damaged.

WHEREFORE, Huffman demands judgment against Defendants for all appropriate damages including, but not limited to, compensatory damages, punitive damages, interest, costs, and attorneys' fees. Huffman further demands all appropriate damages and relief as determined by the court.

COUNT III—MINORITY SHAREHOLDER OPPRESSION

64. Huffman incorporates by reference all allegations contained in the foregoing paragraphs of this Counterclaim as if fully set out herein.

65. Defendants have willfully and systematically excluded and denied Huffman his fair share of the profits and earnings.

66. Defendants have ignored the Operating Agreements and squeezed out Huffman as a minority shareholder by denying him his right to his interests.

67. Defendants' wrongful actions constitute minority shareholder oppression and have caused Huffman to suffer substantial damages.

WHEREFORE, Huffman demands judgment against Defendants for all appropriate damages including, but not limited to, compensatory damages, punitive damages, interest, costs, and attorneys' fees. Huffman further demands all appropriate damages and relief as determined by the court.

COUNT IV—CONVERSION

68. Huffman incorporates by reference all allegations contained in the foregoing paragraphs of this Counterclaim as if fully set out herein.

69. O'Neil converted Payroll Funds owed to Huffman.

70. Huffman had a possessory interest in the Payroll Funds and O'Neil intentionally interfered by withholding a majority of the Payroll Funds from Huffman's paychecks, with no notice to Huffman.

71. As a result of O'Neil's actions, Huffman has been deprived of the use and possession of the Payroll Funds he earned through his employment with Defendants.

WHEREFORE, Huffman demands judgment against Defendants for all appropriate damages including, but not limited to, compensatory damages, punitive damages, interest, costs, and attorneys' fees. Huffman further demands all appropriate damages and relief as determined by the court.

COUNT V—DEFAMATION

72. Huffman incorporates by reference all allegations contained in the foregoing paragraphs of this Counterclaim as if fully set out herein.

73. O'Neil falsely accused Huffman of stealing the Truck .

74. The criminal accusations were false when they were made and O'Neil knew they were false when they were made.

75. The false criminal accusations were made with reckless disregard for the truth and/or with actual malice and with the intent to harm Huffman.

76. Huffman has consistently and fully denied the false accusations made against him by O'Neil.

77. At the time O'Neil reported the Truck stolen, he was aware of the communications between counsel for the Parties to this lawsuit. Indeed, those communications were reported to the Calera Police Department by O'Neil. Nonetheless, O'Neil purposefully avoided the truth and

purposefully and intentionally avoided disclosing the facts and information he knew to be true when he reported the Truck stolen to law enforcement.

78. The false accusations and statements O'Neil made to law enforcement are defamatory *per se* because they are imputations of indictable criminal offenses. *See Nelson v. Lapeyrouse Grain Corp.*, 534 So. 2d 1085 (Ala. 1988); *see e.g.*, Ala. Code § 13A-8-2. As such, Huffman is relieved of the requirement of proving actual harm to reputation or any other damage in order to recover nominal or compensatory damages.

79. As a direct and proximate result of the false accusations concerning Huffman which were reported to law enforcement by O'Neil, Huffman has suffered damages, including injury to his reputation, embarrassment, humiliation, and emotional distress.

WHEREFORE, Huffman demands judgment against Defendants for all appropriate damages including, but not limited to, compensatory damages, punitive damages, interest, costs, and attorneys' fees. Huffman further demands all appropriate damages and relief as determined by the court.

COUNT VI—CIVIL CONSPIRACY

80. Huffman incorporates by reference all allegations contained in the foregoing paragraphs of this Counterclaim as if fully set out herein.

81. At all times relevant hereto, the misconduct of Defendants, both named and fictitious, alleged in this Counterclaim, constitutes an intentional and malicious civil conspiracy perpetrated against Huffman with intent to cause Huffman harm.

82. Defendants, both named and fictitious, have aided and abetted, acted in concert and/or conjunction with one another for the unlawful purposes described herein above.

83. As a proximate consequence of Defendants' wrongful actions, Huffman has been injured and damaged including, but not limited to, mental anguish, emotional distress and economic harm.

WHEREFORE, Huffman demands judgment against Defendants for all appropriate damages including, but not limited to, compensatory damages, punitive damages, interest, costs, and attorneys' fees. Huffman further demands all appropriate damages and relief as determined by the court.

COUNTERPLAINTIFF HEREBY DEMANDS A TRIAL BY STRUCK JURY

/s/ J. Mark White

J. Mark White (WHI001)

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served this day the 11th day of July 2024, via Alafile, which will electronically serve all counsel of record.

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THE FOLLOWING DEFENDANTS WILL BE SERVED VIA CERTIFIED MAIL:

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/s/ Andrew P. Campbell

OF COUNSEL