

November \_\_, 2023

**VIA CERTIFIED MAIL**

Timothy Nugent  
Mayor, Village of Manteno  
98 East Third St.  
Manteno, IL 60950

*Re: Demand to Identify All Information and Withdraw All Approved Resolutions  
or Ordinances for the Gotion Plant*

Dear Mayor Nugent,

The undersigned and Eckland & Blando LLP represent Concerned Citizens of Manteno, a not-for-profit group of Manteno citizens. We are writing to you regarding the planned Gotion lithium-battery plant at the parcel of land known as 333 S. Spruce Street, Manteno, IL 60950 (the “Gotion Plant”). As you are likely aware, Manteno citizens are deeply opposed to the development of this dangerous and illegal project.

We write to you to put you on notice, pursuant to 65 Ill. Comp. Stat. Ann. 5/1-5-1, that you have breached your fiduciary duties to your constituents, to demand withdrawal of all Village actions taken in light of your breach of fiduciary duty, and to remind you of your duties pursuant to Illinois’ State Open Meeting Laws.

As you are no doubt aware, as a public official and the Mayor of Manteno, you owe a fiduciary duty to the public.<sup>1</sup> Importantly, your fiduciary duty to the Village of Manteno encompasses an obligation to protect the Village’s and its officials’ right to “to be aware of all pertinent facts when analyzing, negotiating, entering into and renewing contracts with persons and companies seeking to do business with the city.”<sup>2</sup> You have breached the duties you owe to the

---

<sup>1</sup> *Gross v. Town of Cicero, Ill.*, 619 F.3d 697 (7th Cir. 2010) (“a public officer occupies a fiduciary relationship to the political entity on whose behalf he serves.”) (citing *Chi. Park Dist. v. Kenroy, Inc.*, 78 Ill.2d 555, 37 Ill.Dec. 291, 296, 402 N.E.2d 181, 186 (1980) (collecting cases)); *See e.g., Madlener v. Finley*, 128 Ill.2d 147, 131 Ill.Dec. 145, 147, 538 N.E.2d 520, 522 (1989) (citing *People v. Savaiano*, 66 Ill.2d 7, 3 Ill.Dec. 836, 841, 359 N.E.2d 475, 480 (1976), and *City of Chicago ex rel. Cohen v. Keane*, 64 Ill.2d 559, 2 Ill.Dec. 285, 288, 357 N.E.2d 452, 455 (1976)); *Brown v. Kirk*, 64 Ill.2d 144, 355 N.E.2d 12, 15 (1976); *see also Kinzer on Behalf of City of Chicago v. City of Chicago*, 128 Ill. 2d 437, 445, 539 N.E.2d 1216, 1220 (1989) (citing *People ex rel. Scott v. Briceland*, 65 Ill. 2d 485, 502, 359 N.E.2d 149, 158 (1976)).

<sup>2</sup> *United States v. Bush*, 522 F.2d 641, 646 (7th Cir. 1975); *see also Connick v. Suzuki Motor Co.*, 174 Ill. 2d 482, 500, 675 N.E.2d 584, 593 (1996) (citing *Kurti v. Fox Valley Radiologists, Ltd.*, 124 Ill.App.3d 933, 938, 80 Ill.Dec. 236, 464 N.E.2d 1219 (1984)) (“[I]f plaintiff and defendant are in a fiduciary or confidential relationship, then defendant is under a duty to disclose all material facts.”). Jurisdictions outside of Illinois follow the same rule. *See United States v. Silvano*, 812 F.2d 754, 759 (1st Cir. 1987); *United States v. Kincaid-Chauncey*, 556 F.3d 923, 945 (9th Cir. 2009) (abrogated on other grounds by *Skilling v. United States*, 561 U.S. 358 (2010)) (“A public official’s duty to disclose material information need not be expressly imposed by statute or code because a public official

people of Manteno by signing a non-disclosure agreement with Gotion, Inc. and thereby hiding from the public both the identity of Gotion and critical information about the Gotion project. If you took any consideration to enter the non-disclosure agreement, this compounds your breach of fiduciary duty.

The timeline of the Gotion Plant reveals the extent of your disloyalty to the Manteno citizenry. While we do not know the exact date when you bound yourself to a non-disclosure agreement with Gotion, Inc., we are aware that you signed that agreement at least by May 15, 2023. On that day, you pushed the passage of Ord. 23-01, establishing the Kankakee County Enterprise Zone and boundaries to cover the Gotion property into a favorable tax treatment. Next, on August 7, 2023, you ensured the passage of Res. 23-02 granting a tax abatement to a “foreign company,” without naming the company. Yet it was not until September 8, 2023, when Governor Pritzker announced Gotion’s plans in Manteno, that the people of Manteno learned for the first time what you apparently had known for months, if not years: the mysterious company that you passed several ordinances to support and were seeking favorable treatment for was Gotion Inc.<sup>3</sup>

Gotion Inc. is a wholly-owned subsidiary of Guoxuan High-Tech Company, Ltd. (“GHTC”). GHTC, in turn, is a majority shareholder of Energin Guoxuan (Tangshan) New Energy Technology Co. Ltd.; a company likely subject to U.S. sanctions because it develops “military energy storage products” for “military vehicles and military ships and boats” to bolster the People’s Liberation Army. Further, GHTC’s own articles of incorporation confirm that it is an organ of the Chinese Communist Party. In fact, it is required to create a “[Chinese Communist] Party organization and carry out Party activities in accordance with the Constitution of the Communist Party of China.”<sup>4</sup>

GHTC’s Articles further provide:

The Party Committee of the Company *shall perform its duties in accordance with the Constitution of the Communist Party of China* and other Party regulations:

(I) Ensure and supervise the implementation of the Party’s guidelines, principles and policies in the Company, and *implement major strategic decisions of the CPC Central Committee* and the State Council as well as relevant important work arrangements of the Party organization at the higher level;

(II) Strengthen leadership and control over the selection and appointment of personnel, regulate standards, procedures, inspections,

---

inherently owes a fiduciary duty to the public to make governmental decisions in the public's best interest.”); *United States v. Panarella*, 277 F.3d 678, 696 (3d Cir. 2002); *United States v. Langford*, 647 F.3d 1309, 1321 (11th Cir. 2011).

<sup>3</sup> <https://www.illinois.gov/news/press-release.26993.html>.

<sup>4</sup> Guoxuan High-Tech Company Articles of Association, Articles 5, 9 (July 20, 2022)

recommendations and supervision, and adhere to the principle of the Party's supervision of cadres, the board of directors' selection of managers and the managers' exercise of the right to employ personnel in accordance with law;

(III) Study and discuss the Company's reform, development and stability, major business management issues and major issues related to the immediate interests of employees, and put forward opinions and suggestions; support the shareholders' meeting, the board of directors, the supervisory committee and the senior management in performing their duties in accordance with law; support the employee representative assembly in their work;

(IV) Assume primary responsibility for comprehensively and strictly governing the Party; *lead the ideological and political work, united front work, spiritual civilization construction, enterprise culture construction, labor union, Communist Youth League and other mass work of the Company; lead the construction of Party conduct and clean government, and support the Commission for Discipline Inspection in earnestly fulfilling its supervisory responsibilities;*

(V) Strengthen the construction of Party organization and Party members at the grass-roots level of the Company, *give full play to the role of the Party branch as a fighting fortress and the vanguard and exemplary role of Party members*, unite and lead cadres and staff to actively participate in the reform and development of the Company.<sup>5</sup>

This is the company you have allowed into Manteno without ever disclosing its identity to the public. A company whose own articles compel its obedience to the Chinese Communist Party. A company that threatens Manteno's security. A company whose identity you had a clear fiduciary duty to disclose.

But by binding yourself to a non-disclosure agreement at Gotion's request, you failed to publicly disclose Gotion's identity before causing municipal organs of Manteno to approve ordinances and resolutions benefitting Gotion. Specifically, in Resolution 23-02, you shielded from public view any identifying information about the company purchasing the property, while providing enormous tax and other benefits to that company.<sup>6</sup> For example, the Resolution cryptically states: "[A] foreign company (the 'Enterprise') has proposed to purchase the Subject Property and develop the same as a state-of-the-art lithium-ion battery cell, module, pack production, and energy storage integration facility (the 'Project')." Your removal of any identifying information therein violated of your duty to disclose material information to the public.

---

<sup>5</sup> *Id.* at Articles 114 and 115 (emphasis added).

<sup>6</sup> *See* Resolution No. 23-02, *A Resolution Approving an Intergovernmental Agreement Between Certain Kankakee County Taxing Districts and Officials Regarding the Abatement of Property Taxes for the Property Located at 333 South Spruce Street, Manteno, Illinois.*

Without knowledge of what company was planning to purchase and develop the land, the public was unable to assert its constitutionally-protected or statutorily-provided rights to oppose the development or engage in public discourse regarding the development at opportune times. The citizens serving on municipal boards and committees did not have sufficient information to guide their decision making.

In addition, upon receiving information from Gotion that the Gotion Plant would involve the use of highly toxic chemicals, you failed to disclose that critical information to the public. Those toxic materials include lithium carbonate, iron phosphate, synthetic graphite, hydrofluoric acid, N-methylpyrrolidone (NMP), and styrene-butadiene rubber (SBR), all of which will inherently cause a detriment to the public health, welfare, and safety of Manteno residents.

Based on your decision to sign a non-disclosure agreement with Gotion, and your resulting action in concealing Gotion's identity from the public, the citizens of Manteno, and more specifically the Village Board, were also entirely unaware of the security and environmental risks posed by this Chinese Communist Party-controlled company. Without this knowledge, the citizens were unable to raise these security and environmental concerns, at public hearings or any other forum, and unable to otherwise involve themselves in the project's development until *after* vital Ordinances and Resolutions had already been passed.

We also find it necessary to remind you of your duty to uphold state-wide open meeting laws. Specifically, "all meetings of a public body are to be open unless an exception applies."<sup>7</sup> If you, now or at any point, have gathered a majority of a quorum of the board to discuss public business outside of a public meeting, that meeting would be considered a "closed meeting" that would violate the Open Meeting Act. Please be advised that we intend to challenge any potential violation of this law moving forward.

To remedy these concerns, and avoid potential litigation on this matter, we demand that you take all necessary steps to withdraw the Village of Manteno's support for the Gotion Plant. Specifically, we demand that you:

- Withdraw or otherwise void all Resolutions, Ordinances, or other actions taken to approve and assist the development of the Gotion Plant, including but not limited to Resolution 23-02 and Ordinance 23-01, until you disclose all information that you have improperly shielded under the non-disclosure agreement; and
- Disclose any material details regarding the Gotion Plant disclosed in private meetings, as that information should have been disclosed pursuant to the Open Meeting Laws.
- Rescind the non-disclosure agreement you signed with Gotion, and produce a copy of the agreement and all related communications with Gotion related to it, including any

---

<sup>7</sup> 5 ILCS 120/2(a).

Mayor Timothy Nugent

~~November 7, 2023~~ ~~November 3, 2023~~

Page 5 of 5

---

communications or other information indicating what consideration you received in exchange for signing the agreement.

If you fail to take these actions, either pursuant to the terms of your non-disclosure agreement or otherwise, our client reserves the right to proceed with a lawsuit to request that the court invalidate any ordinances and resolutions you have passed that were tainted by your bad-faith actions, fraud, or other breach of your fiduciary duty.<sup>8</sup>

Your time and attention to this matter is appreciated. We look forward to your response.

Kindest regards,

Robby Dube

cc: Mark J. Blando, Esq.  
Timothy Boyce, Trustee  
Todd Crocket, Trustee  
Diane Dole, Trustee  
Joel Gesky, Trustee  
Samuel J. Martin, Trustee  
Wendell Phillips, Trustee

---

<sup>8</sup> *Chicago Park Dist. v. Kenroy, Inc.*, 78 Ill. 2d 555, 402 N.E.2d 181 (1980) (finding that rezoning was secured by means of bribery of city alderman and fraud, whereby such action fell within the exception to rule that courts ordinarily refuse to inquire into motives of municipal body when it is acting in a legislative capacity); *City of Chicago v. Waters*, 363 Ill. 125, 1 N.E.2d 396 (1936), *aff'd sub nom. Hauge v. City of Chicago*, 299 U.S. 387, 57 S. Ct. 241 (1937).